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STATUS REPORT

INSURANCE INSTITUTE
FOR HIGHWAY SAFETY

IT'S A SAFETY MARKETPLACE, AND CONSUMERS ARE BUYING

Car safety ratings often grab the media spotlight. Sometimes they're published by the Institute, while other ratings are from





the government or *Consumer Reports*. Bigger news than these periodic media splashes is the growth of the safety marketplace around the world, spurred by the availability of vehicle ratings from multiple sources.

"These crashworthiness ratings aren't in competition. One isn't better than another," says Institute president Adrian Lund. "The key is to look at every available source of safety information and choose a car, pickup, or SUV with top ratings across the board. These vehicles are on the market, and buyers are finding them."

A new poll confirms the attention that consumers are paying to safety (see p. 5), factoring it into their vehicle choices. In turn, this demand puts pressure on auto manufacturers to compete in the safety marketplace.

Consumer Reports®



TOP SAFETY PICK 2010

AUTOMAKERS COMPETE TO EARN THE INSTITUTE'S TOP SAFETY PICK AWARD, 5 STARS FROM THE FEDERAL GOVERNMENT'S NCAP, AND GOOD REVIEWS IN CONSUMER REPORTS. THEN THE AUTOMAKERS COMPETE IN THE SAFETY MARKETPLACE BY ADVERTISING CARS THAT EARN HIGH RATINGS, NO MATTER WHICH ORGANIZATION BESTOWS THE HONORS.

Consumer interest isn't new: More than a half century ago, Ford officials estimated that installing optional lap belts and other safety features in 1956 models pushed sales up about 200,000. The safety belts generated demand that was "considerably higher than originally anticipated," A.L. Haynes of Ford told Congress in 1957.

Other early indicators of car buyers' interest in safety involve their rejection of vehicles perceived to be unsafe. Sales of Chevrolet Corvairs plummeted after 1965, for example, when Ralph Nader focused public attention on suspension problems that could lead to loss of control and rollover. Likewise, negative publicity about the easy-to-damage fuel tanks on Ford Pintos led to declining sales in the 1970s.

By the 1980s, automakers were tuning in to safety and beginning to compete in the worldwide safety marketplace. A sign of this involves airbags. After waging in earlier years what the US Supreme Court dubbed "the regulatory equivalent of war" against frontal airbags (see *Status Report*, July 7, 1983; on the web at iihs.org), automakers began competing in the mid-1980s to put airbags in cars ahead of federal requirements (see *Status Report*, Dec. 7, 1985; on the web at iihs.org). Side airbags followed at a much faster pace, beginning in the 1990s. This also is when automakers began a concerted effort to redesign vehicle seats and head restraints to provide better occupant protection in rear-end crashes.

Among the most important safety advancements since the 1990s are the redesigned structures of passenger vehicles. Now the fronts and sides themselves, not just the safety features inside, provide important protection in crashes.

Initially pushing automakers toward this emphasis on safety was the popularity of *The Car Book*, a National Highway Traffic Safety Administration (NHTSA) brochure that compiled safety information vehicle model by vehicle model. Launched in 1980, it became the most frequently requested government publication of its time.

Raising consumer interest in safety to much higher levels are the crash tests and

crashworthiness ratings published not only by NHTSA but also by private organizations in the United States and worldwide. Consumers use the comparative ratings to make informed choices among cars to buy.

US government was first: The 1972 Motor Vehicle Information and Cost Savings Act required NHTSA to establish a program of car crashworthiness ratings. The resultant New Car Assessment Program (NCAP), launched in 1978, isn't part of any government regulatory program. It exists to provide consumer information, initially assigning pass or fail scores to cars based on performance in front and rear crash tests. Since then the pass/fail ratings have given way to stars, 1 to 5 depending on how well a vehicle performs in front, side, and rollover tests.

Now more than 30 years old, NCAP is due for some changes (see *Status Report*, July 24, 2008; on the web at iihs.org). The high NCAP scores most vehicles earn limit the usefulness of the ratings in distinguishing safety differences among vehicles.

"We do favor changes," Lund says, "but at the same time it's important to recognize NCAP's success over decades. Auto manufacturers have improved the designs of their vehicles. In particular, they've improved the restraint systems in modern cars to earn high NCAP ratings."

Besides NCAP, both the Institute and Consumers Union rate vehicle safety, and the ratings attract more media attention than NCAP's. Institute crash tests routinely are covered on national news, attracting tens of millions of viewers. About 8 million people subscribe to Consumers Union publications, making the flagship *Consumer Reports* a top-10 magazine.

Ratings expand worldwide: Comparative safety ratings aren't confined to the US market. NHTSA's pioneering NCAP has spawned similar programs in other countries. These include:

1. EuroNCAP, launched in 1997, is backed by 7 governments, the European Commission, and by consumer groups in every EU country. Ratings are based on occupant protection in front, side, and pole tests. There's also a test for whiplash (*continues on p. 4*)

THE SAFETY RATINGS PUBLISHED BY THE INSTITUTE, CONSUMER REPORTS, AND THE FEDERAL GOVERNMENT AREN'T IN COMPETITION. ONE ISN'T BETTER THAN ANOTHER. THE KEY FOR ANY CAR BUYER IS TO LOOK AT EVERY AVAILABLE SOURCE OF SAFETY INFORMATION AND CHOOSE A VEHICLE WITH GOOD RATINGS ACROSS THE BOARD. THESE VEHICLES ARE ON THE MARKET, AND BUYERS ARE FINDING THEM.

(continued from p. 3) injury in rear impacts and a set of measures to compare the damage vehicles inflict on pedestrians in crashes. EuroNCAP boosts the ratings of vehicles with safety belt reminders, speed limiters, and electronic stability control.

2. Japan's NCAP, established in 1996 and revised in 2001, is a government program based on front and side tests adopted from both US government and Institute tests. Japan's side test is conducted at a faster speed than EuroNCAP's (35 versus 30 mph).

3. Launched in 1992, ANCAP in Australia and New Zealand is sponsored by national and state governments together with insurers and other private groups. Current tests are based on the front and side impacts conducted by EuroNCAP.

4. Also launched in 1999 is Korea's NCAP, sponsored by the Ministry of Construction and Transportation. Tests include not only front, side, and rear configurations but also brake and rollover tests.

5. The world's newest NCAP is in China, where the basis of the ratings is a regimen of front and side tests. This program is run by the China Automotive Technology & Research Center, an independent group authorized by the government.

A common characteristic of these NCAPs and the crash-worthiness evaluation programs run by the Institute and Consumers (continues on p.6)

KNOWING THAT CONSUMERS FACTOR SAFETY INTO THEIR DECISIONS ABOUT WHICH VEHICLES TO BUY, AUTO MANUFACTURERS RUSH TO ADVERTISE ANY SAFETY HONOR ASSOCIATED WITH THEIR PRODUCTS.

SEDONA ★★
Crash s
in all

6 • INSURANCE INSTITUTE TOP SAFETY PICK

NHTSA ★★★★★ CRASH SAFETY

The Volvo XC90. One of the world's most award-winning luxury SUVs.

NHTSA ROLLOVER RISK

- Risk less than 10%
- ◐ Risk between 10% and 15%
- Risk more than 15%

2010 CARS **Safety**
Compare Ratings and features

5-Star crash test ratings from NHTSA

Five-Star Crash Test

2008 X3 and X5 received the TOP SAFETY PICK Award

●	Good	Good	Good	● / ●
●	Good	Good	Good	● / ●
●	Good	Good		

TOP SAFETY PICK Recommended

The 2008 ML 350. An Insu

CONSUMERS ARE PAYING ATTENTION TO VEHICLE SAFETY

NEW INSTITUTE POLL SHOWS SAFETY IS A HIGH PRIORITY AMONG DRIVERS

“You need all the safety you can get.” This is what a respondent to a 1992 Institute survey said when asked about factors that are important when buying a new car (see *Status Report*, May 23, 1992; on the web at iihs.org). The responses haven’t changed much since then. Safety still is important. It’s the second most important factor, behind only quality/reliability, in both the 1992 survey and a new one conducted for the Institute earlier this year.

Eighty-six percent of respondents to the 2010 survey said safety is a very important consideration. Only 2 percent said it’s not important.

What’s new this year is the proportion of respondents who know about vehicle crash tests and safety ratings. Back in 1992, only the federal government was supplying such ratings, but since then the Institute and others have begun rating vehicle safety and attracting extensive media attention to the comparative results. So it’s not surprising that more than 3 of every 4 respondents to the 2010 survey said they’ve seen vehicle safety ratings.

The source of such ratings isn’t uppermost in consumers’ minds. Only 30 percent of respondents could name an organization that provides ratings (*Consumer Reports* was mentioned the most). Only 14 percent could name the rating of their present vehicle. Yet 78 percent said they’d seen safety ratings, mostly on the internet, in magazines, or on television. Sixty-seven percent said such ratings would be very useful in purchasing a vehicle or considering what vehicle to own.

These findings are in line with a 2005 survey conducted for EuroNCAP in the Czech Republic, France, Germany, Great Britain, Italy, Poland, and Portugal. Safety and reliability were cited as the top factors in buying a car. Each was deemed important by 94 percent of EU respondents. Only 2 percent said these aren’t important.

Almost half of the EU respondents overall, including more than 70 percent in Germany, said they had used or looked for information about the crash protection provided by various vehicle makes. The source of this information was fairly evenly distributed among car magazines, friends or acquaintances, and newspaper or television.

The Institute’s telephone survey of 928 licensed drivers 18 and older was conducted in February 2010 by International Communications Research in Pennsylvania. The 2005 survey for EuroNCAP was conducted by Market & Opinion Research International. It involved face-to-face interviews as well as telephone polling of more than 900 adults in each of the 7 EU countries.

Four stars
safety rating
four categories
- NHTSA

TOP SAFETY PICK

SAFETY PICK.
Safety Ratings, features, and more

CONSUMER REPORTS' SAFETY ASSESSMENT
Ratings for multiple tested versions of a model include the scoring range.

★★★★★ Silverado 1500 earned five stars,

Best Rating

NHTSA FRONTAL IMPACT TEST RESULTS

- No injury or minor injury
- Moderate injury
- Certain injury
- Severe or fatal injury
- Severe or fatal injury

●/● std. std./no
●/● std. std./no

Insurance Institute for Highway Safety Top Safety Pick.



THESE DAYS AUTOMAKERS MOSTLY ADVERTISE THE CRASH TEST RATINGS OF THEIR SAFEST VEHICLES, BUT BEFORE SUCH RATINGS BECAME UBIQUITOUS SOME AUTOMAKERS ADVERTISED THE REAL-WORLD EXPERIENCE OF THEIR CARS. FOR EXAMPLE, GENERAL MOTORS RAN AN ANNUAL AD TOUTING THE BETTER-THAN-AVERAGE INSURANCE LOSS EXPERIENCE OF ITS PRODUCT LINE. THE 1981 AD SHOWN ABOVE RAN IN MORE THAN 330 NEWSPAPERS AND MAGAZINES AS PART OF WHAT GM DESCRIBED AS “A CONTINUING EFFORT TO EMPHASIZE THE QUALITY” OF ITS PRODUCTS.

(continued from p. 4) Union is that the tests aren’t part of any regulatory program. In fact, the idea of these tests conducted primarily for consumer information is to see which vehicles go beyond minimum governmental requirements to do a better job of protecting their occupants in crashes. For this reason, the tests generally are more demanding than those required to comply with safety regulations established by governments in the United States and elsewhere.

Ratings influence automakers: Providing consumer information is the primary, but not the sole, purpose of rating vehicles for safety. The ratings also pressure automakers to manufacture safer cars. As a former Ford executive put it, the ratings “provide information we have to address. Our customers are paying attention.”

The hard evidence that automakers heed the ratings is the overall improvement in scores. NCAP was first, compelling manufacturers to improve vehicle restraints. Another example involves the Institute’s frontal offset crash tests. When the first set of results of this program became public in the mid-1990s, poor performers outnumbered good ones (see *Status Report*, Dec. 2, 1995; on the web at iihs.org). But this has turned around, and it’s the rare new car design that doesn’t earn a good rating based on the same test. So successful is this program that the Institute has looked for ways to get out of the business of frontal offset crash testing altogether (see *Status Report*, March 29, 2006; on the web at iihs.org).

“Everybody who has been rating vehicle safety for years has a similar success story,” Lund says. “The scores improve over time, and sometimes very quickly. This wouldn’t happen over and over again if consumers weren’t paying enough attention to the ratings to make automakers take notice.”

Real-world data complement tests: Besides vehicle ratings based on controlled tests, information is available about the on-the-road safety experience of hundreds of passenger vehicles. For example, the Institute publishes death rates by vehicle make and model (see *Status Report*, April 19, 2007; on the web at iihs.org). The affiliated High-

way Loss Data Institute compares vehicle loss experience under 6 insurance coverages, including 3 related to injuries. Both the insurance statistics and the death rates are adjusted for driver age and other factors that could influence the results.

“This real-world information complements the crash test results. Each kind of information has its strengths,” Lund explains. “The tests take the driver factor completely out of the comparisons among vehicles, focusing on design differences that influence safety. The real-world results are useful, too, because they indicate what’s going on out on the road. The idea is to pick vehicles with good test results and good real-world experience, too.”

Future of vehicle safety ratings: So far ratings worldwide indicate primarily vehicle crashworthiness — that is, how well a vehicle protects its occupants in collisions. A couple of years ago the Institute added the availability of electronic stability control to the criteria to earn its highest award, *TOP SAFETY PICK*, and the following year EuroNCAP began factoring this feature into its safety ratings.

The addition marks a new direction because electronic stability control isn’t about crashworthiness. It’s designed to help drivers maintain control in emergencies and avoid crashing in the first place. Thus, more recent ratings of vehicle safety reflect not only crashworthiness but also how well a vehicle can help a driver avoid a crash.

This may be the direction of the future, as more crash avoidance features are added to cars. Their potential to reduce crashes is huge (see *Status Report*, April 17, 2008; on the web at iihs.org), but the features are relatively new. They aren’t on most models yet, so their effectiveness hasn’t been quantified. The Institute is working on this.

“If our evaluations find that some of the newer features are reducing crashes, we’ll report this and look to factor it into our vehicle safety ratings,” Lund promises. Other organizations are headed in the same direction, seeking to expand the amount and quality of safety information available to consumers worldwide.

DEFECTS VERSUS SAFETY RATINGS

Safety ratings indicate how well a car protects its occupants in a crash, compared with other models. The tests on which the ratings are based sometimes reveal safety defects but aren't designed to do so. Ferreting out vehicle design defects that jeopardize safety and deciding what to do about them are the work of the National Highway Traffic Safety Administration's (NHTSA) Office of Defects Investigation.

"If one of our crash tests finds a defect, we report it to NHTSA. We also tell the automaker, who might elect to fix the problem voluntarily and initiate a recall. If we believe a proposed fix will solve the problem, we report the findings to consumers and let them know that our published ratings apply only to vehicles that have been fixed. This has happened a number of times," says Institute president Adrian Lund.

By the same token, the Institute would downgrade the crashworthiness rating of a vehicle that isn't fixed. This virtually never happens, though, because disclosure is such a powerful incentive. Automakers usually hurry to fix any problems the Institute uncovers in its tests.

Most safety defects aren't uncovered in crash tests conducted by the Institute or any other group. Most such problems are revealed by consumers who report problems to NHTSA. The agency monitors complaints, looking for trends indicating that a serious defect might exist, and then opens an investigation when a trend indicates this step is warranted. NHTSA is authorized to order automakers to recall vehicles and make repairs, based on investigations indicating serious safety problems in a vehicle's design, construction, or performance.

"Think of crashworthiness ratings as general information about car safety, and then consult NHTSA about specific safety recalls," Lund concludes. "Make sure a vehicle you're thinking of buying hasn't been recalled or, if it has, the problem has been fixed. Then it should be okay."



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**Consumer
Reports**



**TOP
SAFETY
PICK 2010**



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