AIRBAG RECALL CAMPAIGN

DISCLAIMER NOTICE: The following is an accessible outline of the Airbag Recall Campaign PowerPoint presentation provided at the BAR Advisory Group meeting on October 22, 2020. A webcast recording of the presentation is also available on the <u>BAR Advisory Group</u> page at <u>www.bar.ca.gov</u>.

Slide 1: Takata Airbag Recalls: California Bureau of Automotive Repair Letter Campaign October 22, 2020

Elevate Public Affairs

Slide 2: Table of Contents

- I. Overview of Takata Airbag Recalls
- II. California Letter Campaign
- III. Results
- IV. Next Steps
- V. Q&A

Slide 3: Overview of Takata Airbag Recalls

(Section header slide)

Slide 4: Takata Airbag Recalls

The Issue:

- In the United States, tens of millions of vehicles across 19 vehicle manufacturers contain unrepaired defective airbag inflators under recall.
- More than one million defective airbag inflators are affecting vehicles in the State of California alone.
- Prolonged exposure to high heat and humidity degrades the chemical propellant in a
 defective airbag inflator over time, which makes it more explosive and increases risk of
 serious injury or death.
- California is a hot spot for unrepaired, dangerous vehicles, both because of its large population and its warm, and often humid, climate.
- Some vehicles have a 50% chance of a dangerous airbag inflator explosion upon deployment, spraying metal shrapnel at vehicle occupants.

The Fix:

- Individuals driving a vehicle with a defective Takata Airbag Recalls can schedule a FREE recall repair with their local authorized auto dealer.
- Although automakers are notifying at-risk drivers and authorized auto dealerships are actively replacing defective airbag inflators for free, many remain unaware of the severity.

Slide 5: Video of Inflator

The video shows slow-motion footage of a test by the National Highway Traffic Safety Administration on a Takata airbag. During the test, the airbag inflater ruptures, sending metal fragments flying.

Slide 6: Status of Recall

Why it Can't be Ignored:

- At least 17 people have been killed in the United States, including 3 Californians.
- More than 350 Americans have suffered serious injuries.

- Approximately 61 million vehicle airbags are affected in the United States.
- Vehicles range from model years 2000-2018.

To Date:

- Millions of vehicles have been fixed.
- 12 million vehicle airbags remain unrepaired in the United States.

(Image of Reuters.com article. The headline reads "Honda Confirms 17th U.S. Death in Takata Airbag Rupture.")

(Images of California Victims: Hai Ming Xu, 47, Alhambra, California; Jewel Brangman, 26, San Diego, CA; Delia Robles, 50, Corona, CA)

Slide 7: California BAR Letter Campaign

(Section header slide)

Slide 8: State Transportation Agencies

State Transportation Agencies are good messengers because they are in a unique position to assist in recalls:

- Collection of vehicle owner contact information
- Trusted messengers
- Respected governmental authorities
- Not connected with any perceived sale or profit motive

Slide 9: Overview of Letter Campaign

The Airbag Recall: California Coalition proposed a partnership with the CA Bureau of Automotive Repair and affected vehicle manufacturers to carry out a notification mailing using the BAR logo as a trusted and credible messenger for drivers.

Key Activities:

- California BAR
 - Approval of use of logo
 - Approval of letterhead and envelope artwork for mail piece
- OEMS
 - o Cover entire expenses of letter campaign (ex. Postage, Printing, etc.)
 - Use data secured from DMVs and other sources
 - Development of letter
 - Track and share results

Slide 10: Participating OEMs

(Images of participating OEM logos: Daimler, Ford, Subaru, Fiat Chrysler Automobiles (FCA), Nissan, Volkswagen (VW), BMW, Toyota, Mitsubishi Motors, GM, Ferrari, Mazda)

Slide 11: Sample Letter

Bold Headline:

- "Urgent Safety Recall"
- Call to action

Personalization:

Owner's name in salutation, instead of "Dear Vehicle Owner"

Customization:

Year, make, model, and VIN

Clear Language:

- Easy-to-understand description of the defect and risks
- Information about parts availability
- Information about offers

Call to Action:

- Step-by-step instructions
- Phone number and website

(Image of sample letter)

Slide 12: Timeline

January 13-17, 2020: OEMs launch letter campaign

January 22-February 7, 2020: Second wave OEMs launch letter campaign

February 14, 2020: Analysis of results 1 March 13, 2020: Analysis of results 2

April 27, 2020: Impact analysis

Slide 13: Over 1.2 Million Letters Mailed

Mitsubishi: 4,772; BMW: 86,000; Daimler Vans: 14,913; VW: 48,562; Nissan: 35,795; FCA: 140,000: Ferrari: 1,560; Honda: 450,045; Mazda: 60,000; Toyota: 247,580; Subaru: 19,900;

Ford: 123,774; GM: 10,590

Slide 14: Results

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Slide 15: Impact on Reported Repair Rates

- Letter launch January 13-17, 2020: First wave of letters saw an increase in repair rates by 164%.
- Letter launch January 22-February 7, 2020: Repair rates following the second wave of letters increased by 132%.
- NOTE: The state of California issued a Shelter in Place order on March 19, 2020, to
 protect the public health of Californians from COVID-19. Due to the coronavirus
 outbreak, repair activity was likely impacted during the months of March and April.

Slide 16: Results - Overview 1

Number of weeks following the mailers when repair rates peaked: 8 Approximate total number of inflator repairs that took place following the mailer: 140,000 Difference in repairs directly attributed to mailer: 43,000

Slide 17: Results - Overview 2

COVID-19 Impact: The state of California issued a Shelter in Place order on March 19, 2020, to protect the public health of Californians from COVID-19. Due to the coronavirus outbreak, repair activity was likely impacted during the months of March and April.

How does this letter campaign compare to similar campaign mailers?

- Results from the BAR letter campaign are consistent with other state DMV letters.
- Timing of the letter campaign (late January and early February) were likely negatively impacted [by] the pandemic.

Slide 18: Next Steps

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Slide 19: Upcoming Opportunities

- Additional letter campaign
- BAR mediation program

(Image of sample letter)

(Image of BAR logo

Slide 20: Q&A (Section header slide)

Slide 21: Thank You! (End slide)