

HIGHWAY LOSS DATA INSTITUTE

NEWS RELEASE

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HIGH-TECH SYSTEM ON VOLVOS IS PREVENTING CRASHES

ARLINGTON, VA — Vehicles are doing a better job of protecting people in crashes, but a new crop of advanced technology aims to prevent many crashes from happening altogether. A new study by the Highway Loss Data Institute (HLDI) finds that one kind of advanced forward collision avoidance system is working to prevent about a quarter of the common low-speed crashes that happen in everyday commuter traffic.

The study of insurance claims found that Volvo XC60 midsize SUVs outfitted with a standard collision avoidance feature called City Safety are far less likely to be involved in low-speed crashes than comparable vehicles without the system. City Safety is designed to help a driver avoid rear-ending another vehicle in slow-moving, heavy traffic. Claims under property damage liability coverage — the insurance that pays for damage to vehicles that an at-fault driver hits — were filed 27 percent less often for the XC60 than other midsize luxury SUVs.

"This is our first real-world look at an advanced crash avoidance technology, and the findings are encouraging," says Adrian Lund, president of HLDI. "City Safety is helping XC60 drivers avoid the kinds of front-to-rear, low-speed crashes that frequently happen on congested roads."

Volvo and other automakers also offer optional forward collision warning systems designed to help drivers avoid crashes at higher speeds than City Safety does. HLDI is working with several automakers to evaluate the loss experience of these and other crash avoidance technologies as the features make their way into more vehicles. City Safety is the first system of its kind. It addresses more common crashes than higher-speed systems do and has been standard on XC60s since the 2010 model year. It also is standard on 2011-12 S60 sedans and 2012 model S80 sedans and XC70 wagons.

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City Safety automatically brakes to avoid a front-to-rear crash in certain low-speed conditions. It uses an infrared laser sensor built into the windshield to monitor the area in front of the SUV when traveling at speeds of about 2 to 19 mph. It detects

VOLVO XC60 CITY SAFETY INSURANCE LOSSES			
	claim frequency	claim severity	overall losses
vs. other midsize luxury SUVs			
Property damage liability	-27%	+\$270	-\$17
Bodily injury liability	-51%	-	-
Collision	-22%	-\$517	-\$98
vs. other Volvos			
Property damage liability	-19%	+\$646	+\$2
Bodily injury liability	-49%	-	-
Collision	-17%	-\$147	-\$53

and reacts to other vehicles within 18 feet of the XC60's front bumper during both daytime and nighttime driving. If the speed difference between vehicles is less than 9 mph, City Safety helps drivers avoid some crashes altogether. If the difference is between 9 and 19 mph, the feature may not prevent the crash but will reduce the consequences. It's not designed to work at speeds faster than 19 mph.

Unlike forward collision warning systems developed to address higher-speed crashes, City Safety doesn't alert the driver before it engages and brakes at the last instant if the driver doesn't react in time.

How HLDI did the study: HLDI analysts compared insurance claims data for the 2010 XC60 with 2 groups: other 2009-10 midsize luxury SUVs and other 2009-10 Volvo models. The analysis controlled for a variety of geographic and demographic factors that can affect claims. Geographic factors include garaging state and vehicle density (the number of registered vehicles per square mile). Demographic factors take into account such things as the primary driver's age, gender, and marital status. Other factors include calendar year and the policy deductible.

HLDI looked at how often claims are filed, also known as claim frequency, and claim costs, also known as claim severity. Researchers examined claim frequency and payouts under 3 types of auto insurance coverage: property damage liability, bodily injury liability, and collision. Property damage liability pays for damage an at-fault driver's vehicle does to other people's property as a result of a crash. Bodily injury

liability generally pays for injuries to people involved in the crash other than the insured at-fault driver. Collision pays for damage to the insured vehicle.

Lower claim frequencies: Claim frequency rates for the XC60, the only Volvo with the feature in the study, were lower than all other midsize luxury SUVs combined, as well as other Volvos, under all 3 types of insurance coverage.

"These are very large effects," says Lund, who notes that some differences in driving styles of XC60 owners might come into play. However, "the pattern of results strongly indicates that City Safety is preventing low-speed crashes and reducing insurance costs.

"That's great news for consumers. As people grow more aware of the risks of distracted driving, crash avoidance systems like this one can help to ensure that a momentary lapse of attention during a congested commute doesn't result in a crash."

XC60s in the study had fewer claims, but when owners did seek payment under property damage liability, the average claim cost of \$3,058 was higher than for vehicles in either control group —10 percent higher than for other midsize luxury SUVs and 27 percent higher than for other Volvos.

"Although it may seem counterintuitive, higher payouts for property damage liability are a sign that City Safety works," says Matthew Moore, HLDI vice president and director of the study.

Because the feature is preventing the kinds of fender-benders drivers get into on busy roads, XC60 owners aren't filing as many low-cost claims (those less than \$1,500) as people who drive other midsize luxury SUVs. The frequency of high-severity claims (\$7,000 and higher) was about the same for the XC60 as it was for the control vehicles.

"Crash avoidance technology has a lot of promise," Lund says. "We are doing more research to see if other systems live up to their billing."

End 3-page news release on Volvo XC60 City Safety
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