

NATIONAL TRANSPORTATION SAFETY BOARD
WASHINGTON, D.C.

ISSUED: August 31, 1981

Forwarded to:
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Executive Director
All-Industry Research Advisory Council
7315 Wisconsin Avenue
Bethesda, Maryland 20014

SAFETY RECOMMENDATION(S)
H-81-47

The National Transportation Safety Board has conducted an evaluation of the usefulness of insurance data in highway safety research. In the course of this study, the Safety Board reviewed methods used by the insurance industry to gather and process applications, claims, and other data that insurance companies use in their routine business. Additionally, the Safety Board reviewed past and current attempts by Federal agencies to use insurance data in highway safety research. 1/

The study found that the most successful attempts to use insurance data have been special projects that have avoided claim files and have involved, or sought advice from, insurance industry researchers. Throughout the evaluation, insurance company research officials and staff members of the insurance industry research organizations (Insurance Institute for Highway Safety, Highway Loss Data Institute, and All-Industry Research Advisory Council) were helpful in their explanations of the data that are gathered and their limitations and potential uses of the data. The Safety Board believes that any Federal agency that seeks to use insurance data in a research effort would benefit from similar guidance from these sources who are most familiar with the data.

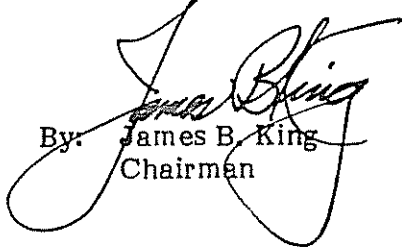
The advantages of closer working relations between the insurance industry and DOT agencies would have advantages for the agencies, the insurance industry, and the public. The agencies would gain a better understanding of the extent to which insurance data and the insurance mechanism can be used in their research efforts. They would also benefit from the substantial knowledge of research design and research needs that members of the insurance research community possess. The insurance industry would benefit from an improved interface with the agencies which have the regulatory authority to bring about changes that can reduce insurance industry losses. A better understanding of insurance data by Federal researchers would also tend to improve the efficiency with which they use the insurance mechanism in highway safety research efforts. Such increased efficiency would decrease the amount of time and resources wasted by industry and government on futile quests for data that may be inappropriate to answer the research questions that are being asked. Presumably, the public would benefit from improved traffic safety and decreased pressures on insurance companies to raise insurance rates.

1/ For more detailed information, read Safety Effectiveness Evaluation--"The Use of Insurance Data in Highway Safety Research" (NTSB-SEE-81-5).

Therefore, the National Transportation Safety Board recommends that the All-Industry Research Advisory Council:

Cooperate with the National Highway Traffic Safety Administration and the Federal Highway Administration in establishing a consultative arrangement that the agencies would use for guidance in the planning and execution of highway and motor vehicle safety research projects using data collected by the insurance industry. (Class II, Priority Action) (H-81-47)

KING, Chairman, DRIVER, Vice Chairman, and GOLDMAN and BURSLEY, Members, concurred in this recommendation. McADAMS, Member, did not participate.


By: James B. King
Chairman