



NCOIL Annual Meeting

Delay Consideration of Proposed Model Act Regarding Auto Airbag Fraud

To be considered by the NCOIL Property & Casualty Insurance Committee on July 11, 2009

The Alliance of Automobile Manufacturers opposes the use of salvaged air bags. Automakers strongly believe that the use of salvaged air bags should be discouraged. This proposed model act seeks to address airbag fraud in an effort to increase the safety of consumers, a concept that is supported by the Automobile Alliance. Although we support many of the elements of the model act, however, we strongly oppose any elements that may be seen as an endorsement of the use of salvaged air bags. Because of this, **we urge you to delay discussion on this model act until the November meeting in order to give members an opportunity to review Alliance proposed amendments.**

The Proposed Model Act Regarding Auto Airbag Fraud

- ✓ Sets standards for the installation of salvaged air bags, products that may be inferior in quality and subject to malfunction. This increases risk of injury to consumers.
 - ✓ Creates a number of administrative burdens for dealers and independent repair shops with regard to record keeping and documentation. These requirements can prove to be cumbersome and costly.
 - ✓ Requires an affidavit that requires airbag installer to attest that the airbag has been properly calibrated. However, there is no current practice of “calibrating” airbags during installation.
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Key Points:

- **The critical safety function of airbags demands the highest degree of assurance regarding part stewardship and installation. This can never be fully assured in a salvage yard environment.**
- **There is no certifiable evidence demonstrating that salvaged air bags will work properly in a real world crash.**
 - The precise history of any salvaged part, including salvaged airbags, is suspect at best. Any number of factors can compromise the quality of an airbag after a vehicle is salvaged.
 - Salvaged air bags are subject to exposure in uncontrolled salvage yard environmental conditions.
 - Airbags may have been exposed to harmful environmental conditions such as flood damage, unknown heat or humidity prior to salvage.
 - There are no trusted procedures for testing and inspecting salvaged airbags to validate the operability or structural integrity of the unit.
- **Recycled airbags may be mismatched and installed in a vehicle for which it was not designed**
 - Each airbag is designed to work as part of the overall occupant restraint system in the vehicle for which it was designed.
 - Factors such as the design of the seating systems, seat belts, the angle of the windshield, shape of the steering wheel and dashboard, as well as other factors, are taken into account in the design performance of a particular airbag.

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- Scrappage airbags may not provide the same protection as the specific type of airbag that is designed for a particular vehicle.
 - Repair facilities may not know the make/model of the vehicle from which a salvaged airbag was recovered.
 - Different types of airbags deploy with different degrees of force depending on the sensing and diagnostic modules (SDMs). Recycled airbags may not inflate with the correct level of force with disastrous results
- Recycled airbags that are installed in a vehicle of the same make/model from which an airbag is salvaged could still pose a safety risk.
 - Engineering technologies change over time and safety systems may not be the same from year to year. Therefore, a salvaged airbag from one model year may not be a safe choice for the same make and model from a different model year.
 - Only the factory can assure that the part supplied for a specific vehicle is the proper version for that vehicle.
- **Airbag modules contain energetic devices that may pose a safety hazard when not properly handled**
 - Where airbags are removed and installed by persons other than factory trained or certified maintenance personnel, there is a risk of accidental deployment during removal or re-installation, which may result in serious personal injury and even death.
 - The stockpiling and improper storage, particularly of large quantities of used airbag units of unknown and questionable provenance with their pyrotechnic charges, creates risks associated with fire and explosion.

Unless it can be definitively demonstrated that salvaged airbags can be properly and reliably installed in motor vehicles, and that their performance in a subsequent collision will be acceptable, the Automobile Alliance does not support passage of any legislation endorsing the use of salvaged airbags. This issue necessitates further discussion and consideration of the proposed Automobile Alliance mark-up. As such, **we urge you to carry over the Proposed Model Act Regarding Auto Airbag Fraud until the November NCOIL meeting.**