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October 24, 2019

Johnathan Morrison
Chief Counsel
U.S. Department of Transportation
National Highway Traffic Safety Administration
West Building
1200 New Jersey Avenue SE
Washington, DC 20590

RE: Docket No. NHSTA-2019-0092 – Electronic Motor Vehicle Transactions Systems

Dear Mr. Morrison,

Thank you for the opportunity to submit these comments on behalf of the members of the American Property Casualty Insurance Association, the primary national trade association for home, auto and business insurance. Our members, who collectively write approximately 53 percent of the automobile insurance sold in the United States, are naturally very interested in this regulation and the potential cost savings it may lead to.

We appreciate your soliciting feedback from all stakeholders, including the insurance companies that we represent. In attempting to measure the potential impact of this regulation on our members, who daily handle thousands of motor vehicle titling transactions in association with total loss claims, **APCIA estimates finalization of the rule could potentially save up to \$363 million dollars per year in shipping, rental costs, vehicle depreciation and gained productivity alone.**

Our estimate of cost savings for the insurance industry includes:

- The cost to ship documents to and from the vehicle owner – up to \$10 per claim for mailing or overnight delivery costs
- Additional rental costs while paperwork is exchanged – up to \$30 per day or more
- Depreciation of salvage for days delayed in settlement – estimated to average \$1.96 a day
- Loss of productivity – the labor expense associated with the scanning and packaging of documents for shipment, multiple file touches, multiple phone calls, etc.

If an electronic odometer disclosure saves two days in the claims handling process, and one hour of an claims adjuster's time¹, there could be a savings of \$103.92 per claim. According to industry data², there were over 19 million physical damage claims last year, and approximately 17.8³ percent of those vehicles could potentially be a total loss. Spread across 3.4 million total loss vehicles per year, APCIA estimates a potential cost insurance cost savings of \$362 million dollars per year for the for shipping, rental costs, depreciation and gained productivity.

¹ Average Auto Claims Adjuster Salary \$49,000 per Glassdoor.com September 2019

² Fast Track Data 4Q 2018, Independent Statistical Service, Inc., Insurance Services Office, Inc., National Independent Statistic Service

³ 1st Quarter 2019 CCC Industry Update, CCC Information Services

There are also a significant non-financial impacts of an electronic odometer disclosure process for insurers and vehicle owners:

- Fewer touches by the adjuster improves adjuster efficiency
- Speed to settlement – total loss claims can be paid more quickly
- Less inconvenience for the consumer, no need to wait for paperwork or, in some states, find and pay up to \$25 for a notarized document
- Consumers expect to conduct business electronically, and while paper documents are a state requirement, problems associated with the exchange of paperwork reflect on their insurer
- Packages and mail can get lost, causing further delays
- The consumer, the insurer and the state motor vehicle department have a permanent electronic record of the transaction in electronic format
- Positive environmental impact associated with the use of less paper

Electronic odometer statements are a significant step forward on the road to electronic vehicle title processing which would be of significant benefit for auto insurance policyholders and insurers. And this is precisely why we work collaboratively with both the American Association of Motor Vehicle Administrators (AAMVA) and individual state departments of motor vehicles, most recently Florida, on implementation of e-signature in association with odometer disclosure.

APCIA is willing, able and ready to assist other state departments of motor vehicles as they begin implementing electronic motor vehicle titling systems. We have in the past arranged for meetings between department staff and our members to discuss best practices in association with the implementation of these systems, and are happy to do so with any other state that is interested in such a discussion.

Please do not hesitate to contact me at either alex.hageli@apci.org or 847-553-3656 if you have questions about this submission or we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alex Hageli', with a stylized flourish extending to the right.

Alex Hageli