

STATEMENT OF

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Good morning, I'm Dale Hammond, President/COO, Kemper Auto and Home Group, Inc., a Unitrin Company, and Insurance Co-Chair of Advocates. Having just heard Dr. Benjamin talk about the tragedies emergency doctors and others experience in the emergency room, it's hard to imagine that we should even discuss the economic impact of motor vehicle crashes in the same breath.

Nonetheless, my role here today is to touch on the economics of these crashes. Perhaps many of you here today did not realize that motor vehicle crashes are the number one cause of occupational death and injury in the United States. The cost of crashes totals more than \$230 billion every year, and it is estimated by the National Highway Traffic Safety Administration that half these costs are borne by private insurers. In fact, these crashes cost employers more than \$50 billion annually in medical care, legal expenses, property damage and lost productivity. Studies indicate that due to lost work time, workers' compensation and health insurance claims, employers pick up approximately one-third of the bill for all highway crashes.

To put it in perspective, we have tagged this a "crash tax" of \$792 that every American pays each and every year.

While insurance companies are always concerned about loss control, it really goes far beyond that for us. We deal with a combination of costs to society, costs to families, and also costs to businesses. I often have to remind people that those of us in the insurance industry are also individuals in communities at large. Most of us have children and lives beyond our businesses. As insurers, when we have to work with a family or individual who has been involved in a motor vehicle crash or has lost a loved one, it is a difficult and emotional process, especially when they are members of our own community.

When you consider how simple measures such as passage of basic highway safety laws recommended by Advocates in this report can improve these terrible outcomes, there is no question what our priorities should be in working toward

solutions that can make a difference. The bottom line for us in the insurance industry is that adoption of the 14 basic highway safety laws discussed in the Roadmap Report is a win-win for everyone. The laws will save lives, prevent costly injuries, and we, in turn, end up with better cost-containment for our customers and increased productivity overall.

We urge state policymakers to be pro-active and help us finish the agenda on these 14 basic highway safety laws. Hopefully next year we'll see a lot more green than yellow and red.