

## Few insurers cut rates for new electronic safety devices

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This Wednesday, April 1, 2015, file photo, shows the interior of a 2016 Lexus RX at the New York International Auto Show. Once expensive and limited mainly to high-priced luxury cars, automatic braking is now more affordable and included on more mainstream vehicles. Toyota is making it standard on nearly all new Lexus and Toyota models by the end of 2017. (AP Photo/Mark Lennihan, File)

After hearing good things about the latest in crash-prevention

technologies, you decided to add automatic emergency braking to your new car.

The feature costs north of \$2,000 on most vehicles. Yet even though data show it can prevent [crashes](#), the discount from your insurer is likely to be zero.

Most insurers aren't yet ready to give a break to car owners who invest in [automatic braking](#) or other new electronic technologies such as lane departure warning or blind spot detection. Many companies are still compiling their own data to confirm that the devices stop crashes, while others say automakers don't always make it clear which models have the new technologies.

The Associated Press found that of the 11 biggest U.S. auto insurers, only two offer discounts for the new electronic devices. But experts say that because they are so effective in reducing crashes, it's just a matter of time before widespread rate cuts arrive.

"We certainly are seeing significant effects from automatic emergency braking," says Russ Rader, spokesman for the Insurance Institute for Highway Safety, an industry research group. "To the extent that vehicles get into fewer crashes, that will ultimately be reflected in the rate you pay."

Among big insurers, only Hartford Insurance Group and Liberty Mutual Insurance Cos. offer discounts for automatic braking, which uses cameras and radar to spot objects in the way and slow or stop vehicles if the driver doesn't react. Other companies say they're studying claims data before offering specific discounts. Many say the discounts are baked into overall rates on cars equipped with automatic braking that crash less often.

An IIHS study released this year found that 40 percent of rear-end crashes would be cut if all cars had automatic braking. That means about 700,000 crashes would be prevented annually, based on 2013 crash data.

The government and most major automakers have agreed to make autonomous braking standard on most cars by 2022. Among other new electronic safety features, lane-departure warning hasn't been as effective, while blind-spot detection shows promise in early data, Rader says.

One reason why not all insurers offer discounts is because automatic braking still isn't on that many vehicles. The consulting firm IHS estimates that it will be on 21 percent of the vehicles produced in North America this year. Also, insurers have a hard time verifying if cars actually have the devices. When insurers check a car's vehicle identification number, they usually see a list of features. But electronic safety devices aren't yet included by most automakers. Insurers say they're working with car companies to include them.

Once expensive and limited mainly to high-priced luxury cars, automatic braking is now more affordable and included on more mainstream vehicles. This year, automatic braking is standard equipment on 17 of 194 of the most popular models in the U.S., and available on 71 others. Toyota is making it standard on nearly all new Lexus and Toyota models by the end of next year. While most companies include it as part of more expensive packages, Toyota lowered prices for the feature as an option on 2016 models to \$300 to \$635.

Insurance companies also are trying to determine whether the radar sensors and cameras used in automatic braking could drive up repair costs. On many models, the sensors are mounted in front-end emblems or bumpers, said Justin Herndon, a spokesman for Allstate Insurance. "Something that used to cost 60 or 70 bucks for an emblem to be

replaced now can cost a couple grand," he says.

Still, The Hartford has already determined that automatic braking is worth a cut in rates, which could help entice drivers to get the new features. The company cuts up to 3 percent of the annual premium on cars with automatic braking and other devices. Currently the discount is only in five states—Illinois, Ohio, Minnesota, Oklahoma and Arkansas—but could be expanded, said spokeswoman Julia Zweig.

"Safety technologies are becoming more widely available and are expected to improve driver safety and reduce the likelihood of collisions," Zweig said in an email.

Liberty Mutual said it couldn't state the size of the discounts because they vary by feature and driver, and may vary by state.

Hartford's discount works out to only about \$30 per year on the average annual insurance premium of about \$1,000. But the discounts could grow as more vehicles get automatic braking as standard equipment and insurance companies see in claims data that it reduces crashes.

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