

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

FILED BY MC D.C.

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CLERK U.S. DIST. CT.
S. D. OF FLA. - MIAMI

**IN RE: TAKATA AIRBAG PRODUCTS
LIABILITY LITIGATION**

Case No. 1:15-md-02599-FAM

**THIS DOCUMENT RELATES TO:
ECONOMIC LOSS TRACK CASES
AGAINST BMW, HONDA, MAZDA, NISSAN,
SUBARU, AND TOYOTA DEFENDANTS**

**FINAL STATUS REPORT BY THE SETTLEMENT SPECIAL ADMINISTRATOR ON
THE IMPLEMENTATION OF THE OUTREACH PROGRAMS PURSUANT TO THE
BMW, HONDA, MAZDA, NISSAN, SUBARU, AND TOYOTA SETTLEMENT
AGREEMENTS**

FINAL STATUS REPORT FILED OCTOBER 7, 2022

The Settlement Special Administrator of the BMW, Honda, Mazda, Nissan, Subaru, and Toyota Settlement Agreements (collectively, the “Settlement Agreements”) submits this Final Status Report to the Court to provide information and insight as to the efforts and results of the Outreach Programs under the Settlement Agreements, along with some of the major learnings and takeaways from the last several years¹.

As mentioned in prior Reports, the Outreach Programs were designed through discussion with the Parties, the National Highway Traffic Safety Administration, and the Independent Monitor of the Takata recalls to utilize techniques and approaches not previously applied in the recall industry, with a focus on personalized, targeted direct campaigns aimed at increasing the volume of outreach attempts per consumer via traditional and non-traditional channels with the

¹ The data and information contained in this report is generally as of the end of Q2 2022. Because this Final Status Report pertains only to the Outreach Programs conducted under the BMW, Honda, Mazda, Nissan, Subaru, and Toyota Settlement Agreements, the data contained herein also pertains only to outreach related to those manufacturers.

goal of maximizing the recall remedy completion rate to the extent practicable given the applicable provisions of the Settlement Agreements. Consistent with this, the Settlement Special Administrator and Outreach Program vendors regularly conferred and communicated with the automobile manufacturers to coordinate concerted efforts to ensure that outreach to affected vehicle owners was conducted as efficiently and as effectively as possible with continual improvement to the overall process.

1. Background

Although this Court is extremely familiar with the history of the Takata inflator recall, a brief summary of the background will be helpful in setting the context for the Outreach Programs and their results. Approximately 67 million defective Takata airbag inflators have been under recall in the United States across nineteen vehicle manufacturers, making this the largest automotive recall in history. To date, there have been 19 deaths along with several hundred injuries linked to this safety recall in the United States alone. The National Highway Traffic Safety Administration reports that there have been at least 27 deaths worldwide.

At commencement of the Outreach Programs under the Settlement Agreements for BMW, Honda, Mazda, Nissan, Subaru, and Toyota, the vehicle manufacturers had been notifying owners of vehicles affected by the Takata recall for more than two years. As of March 2018, shortly after the beginning of the Outreach Programs, approximately 71% of these dangerous and defective inflators had been repaired, with approximately 76% of the vehicles in Priority Groups 1 – 3² repaired.

Many of the owners who had not had the recall remedy performed at this point had been contacted numerous (*i.e.*, dozens) of times. Despite this, they had failed to act. Moreover, the

² Priority Groups 1 – 3 consisted of the vehicles containing inflators that were both older and located in high humidity and high temperature geographical areas, making those inflators at a greater risk of rupture.

affected vehicles were comprised of model years ranging from 2002 – 2015, meaning that they naturally had changed hands multiple times, making it more difficult to identify the correct owners of the vehicles. Where the correct owners could be identified, they often had little to no direct relationship with the automobile manufacturers, meaning that they were reticent to bring their vehicles to branded dealerships to have the recall remedy performed.

While there had been substantial industry-wide outreach performed prior to the implementation of the Outreach Programs, there was little information in the way of attribution and reporting on what type of outreach activities actually resulted in improvements in response, appointment, and remedy rates. Because this type of attribution and reporting was not widely utilized, it was initially difficult to evaluate what various tactics, cadence, sequencing, and creative materials did and did not “speak to” the individual recipients of the outreach materials. With significant input, effort, and collaboration from BMW, Honda, Mazda, Nissan, Subaru, and Toyota, the Outreach Program was able to drastically improve upon the processes utilized at the time to maximize the completion of Recall Remedies in Takata affected vehicles.

2. Overall Strategy and Deployment

Since the beginning of the Outreach Programs near the end of 2017, the Settlement Special Administrator and Outreach Program vendors have deployed over 15,000 individual campaigns of outreach to consumers affected by the Takata recall. Given the extensive detail provided regarding these outreach efforts in the prior Status Reports to the Court, they will not be recounted here. However, overall, this involved over 600,000,000 outbound deployments across direct mail, outbound phone calls, digital impressions (*e.g.*, Facebook), email, and vehicle tagging. Affected vehicle owners were also contacted through targeted digital display (television and over-the-top advertisements).

In terms of national, indirect outreach, the Settlement Special Administrator and Outreach Program vendors implemented a national media campaign with Morgan Freeman as its spokesperson to underscore the importance and severity of the Takata recall and to bolster its legitimacy across the country. On a regional level, the Settlement Special Administrator and Outreach Program vendors engaged with state and local government agencies, such as Departments of Motor Vehicles, to contact affected consumers in nearly 30 states and localities. To support these activities, public relations teams were engaged to contact news outlets to generate local media interest to reinforce these and other ongoing outreach activities in the area.

3. Results and Comparison Points

The Settlement Special Administrator and Outreach Program vendors have performed a total of 2,585,121 appointments and “warm transfers” to allow consumers to schedule appointments themselves directly with dealers, and 9,197,943 recall remedies have been completed since the transition of outreach to the Settlement Special Administrator and Outreach Program vendors.³

In short, the overall remedy rate was increased to 91%, a 20% jump from the rates at the start of the Outreach Programs. Similarly, the overall remedy rates for Priority Groups 1 – 3 increased to 94%, also a nearly 20% increase. To provide some context to these overall remedy rates relative to remedy rates achieved in other recalls, the average completion rate for recalls on vehicles that were six to ten years old at the time of recall is 56%.⁴ Notably, as mentioned, the

³ Considering the significant efforts put forth towards indirect outreach methods such as mass media and public relations-type activities, Status Reports provide the total number of recall remedies performed, irrespective of whether direct outreach had been performed on a vehicle. As previously mentioned, consumers often schedule repair appointments directly with their local dealerships rather than by calling the Outreach Programs’ call center to do so. As such, the total recall remedy completion count presented herein cannot be attributed solely to those direct activities conducted by the Settlement Special Administrator and Outreach Program vendors and exceeds the number of appointments and “warm transfers” set by Outreach Program vendors. This is also consistent with the fact that each automobile manufacturer continues significant and extensive outreach efforts beyond those activities performed by the Settlement Special Administrator in the Outreach Programs under the Settlement Agreements.

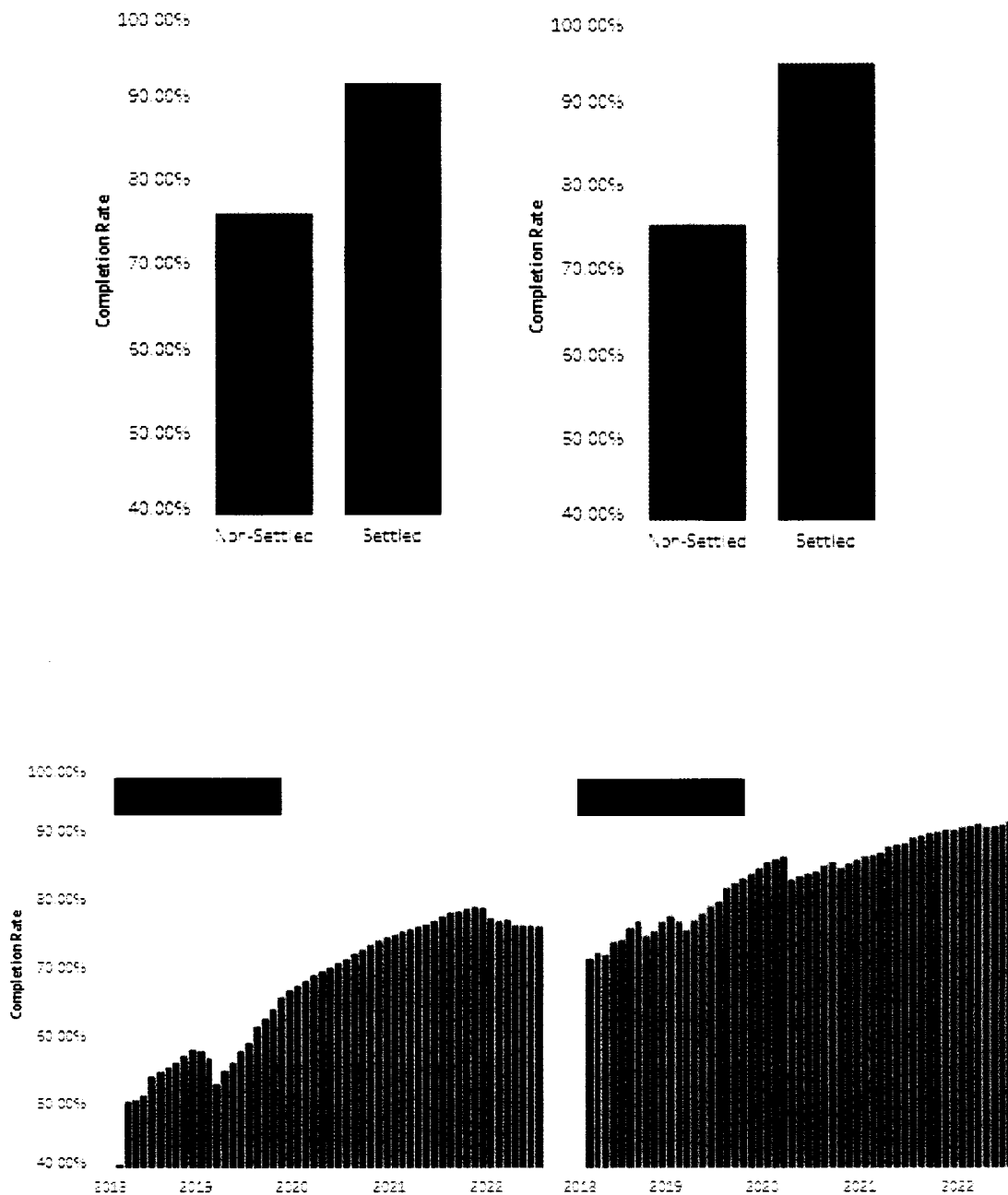
model years of the underlying vehicles affected by the Takata inflator recall spans from 2002 to 2015.

To provide further context, a comparison of the Takata recall remedy results for the automobile manufacturers involved in the Outreach Programs to others that are not illustrates similar results. As of July 2022, the overall inflator remedy rate for manufacturers not involved in the Outreach Programs was 75.7%, compared to the 91% remedy rate for the manufacturers involved in the Outreach Programs. Similarly, the overall remedy rates for Priority Groups 1 – 3 for the manufacturers not involved in the Outreach Programs was 75.2%, again compared to the 94% remedy rate within this sub-population for the manufacturers involved in the Outreach Programs.⁵ Consistent with this, the manufacturers involved in the Outreach Programs have been able to achieve higher monthly repair rates relative to those manufacturers not involved in the Outreach Programs. This is especially notable considering that the overall average remedy rate for the manufacturers involved in the Outreach Programs is now over 90%, even though remedies become exponentially more difficult to achieve as the overall remedy rate increases.

⁴ “Report to Congress: Vehicle Safety Recall Completion Rates Report” Prepared by the U.S. Department of Transportation, National Highway Traffic Safety Administration, May 2017, at 13, https://www.nhtsa.gov/sites/nhtsa.gov/files/documents/13376-recall_completion_rates_rtc-tag_final.pdf?platform=hootsuite

⁵ Data for this analysis was derived from the National Highway Traffic Safety Administration Takata Airbag Recall Spotlight, <https://www.nhtsa.gov/equipment/takata-recall-spotlight> . Excluded from the data utilized for this analysis were 1) automobile manufacturers with a relatively low number of vehicles affected by the Takata inflator recall, and 2) one specific manufacturer that is not involved with the Outreach Programs that recently issued Takata inflator recalls on a significantly large volume of vehicles.

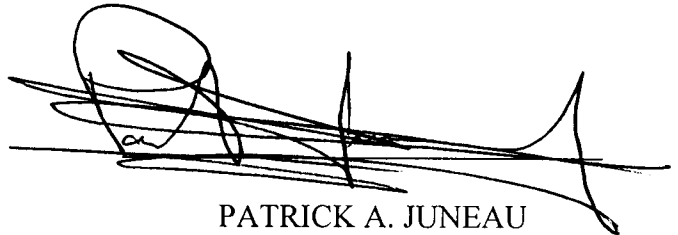
The following charts succinctly summarize the above:



The methodologies to accomplish this involved several key areas. First, utilizing multiple sources of data, including vehicle registration data and public records data, to both identify and locate owners of affected vehicles was essential, especially in light of the age of the vehicles involved in the Takata recall. Incorporation of other relevant points of data, such as on-road vehicle sighting location information, further enhanced this vehicle owner database which ultimately formed the backbone of the outreach process. Utilizing this database of owner information, the outreach population could then be segmented so that the creative messaging could be drafted and tailored to the specific recipient in order to most likely elicit response and action. Vehicle owners then received this individualized creative messaging through multiple different channels, which helped to reinforce the legitimacy and authenticity of the call to action, including the severity of the Takata inflator recall. Lastly, as the overall remedy rate continued to increase, the creative messaging, themes, and formats, as well as their methods of delivery, was constantly tested, evaluated, and modified, so that the message did not become hackneyed.

4. Conclusion

The Settlement Special Administrator offers this Final Status Report to ensure that the Court is informed of the ultimate result of the Outreach Programs. If the Court would find additional information helpful, the Settlement Special Administrator stands ready to provide it at the Court's convenience.

A handwritten signature in black ink, appearing to read 'Patrick A. Juneau', with a long horizontal flourish extending to the right.

PATRICK A. JUNEAU
Settlement Special Administrator