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

IN RE: TAKATA AIRBAG PRODUCTS LIABILITY LITIGATION

THIS DOCUMENT RELATES TO: ECONOMIC LOSS TRACK CASES AGAINST BMW, HONDA, MAZDA, NISSAN, SUBARU, AND TOYOTA DEFENDANTS Case No. 1:15-md-02599-FAM

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

STATUS REPORT NO. 5 FILED JUNE 5, 2019

The Settlement Special Administrator of the BMW, Honda, Mazda, Nissan, Subaru, and Toyota Settlement Agreements (collectively, the "Settlement Agreements") submits this Report to the Court to provide information and insight as to the ongoing efforts of the Outreach Programs under the Settlement Agreements¹.

As explained in further detail below, the Outreach Programs have been 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 maximizing the volume of outreach attempts per consumer via traditional and non-traditional channels with the goal of maximizing the recall remedy completion rate to the extent practicable given applicable provisions of the Settlement Agreements. Consistent with this, the Settlement

¹ The data and information contained in this report is generally as of mid-May 2019.

Special Administrator and Outreach Program Vendors regularly confer and communicate with the automobile manufacturers to coordinate concerted efforts to ensure that outreach to affected vehicle owners is conducted as efficiently and as effectively as possible and to continually improve the overall process.

1. <u>Direct Outreach</u>

a. Consumer Population Segmentation and Tailored Assets

As per prior reports, the Settlement Special Administrator and Outreach Program Vendors, in consultation with the automobile manufacturers, have begun to deploy creative assets personalized and tailored based on the behavioral qualities and demographics of the consumer populations, which were grouped into "Apple Pie", "On the Go", "Golden Years", "Starting Out", and "New Owner" segments², as well as by Priority Group groupings. Monitoring of the results of these deployments will be ongoing over the next couple months to assess the effectiveness of this personalization as well as of different media and methods of delivery, *e.g.*, letters as compared to postcards.

b. Continued Efforts with State Departments

As reported, the Settlement Special Administrator, the automobile manufacturers, and the Independent Monitor for the Takata recall have engaged various state departments to endorse the deployment of letters on behalf of their respective states to inform affected citizens of the Takata recall and its severity as well as to provide information on how to have the recall repair completed. In addition to the states in which these letters have previously been mailed³, letters were recently mailed in Mississippi, and New York has also agreed to a second letter mailing taking place this month. Additionally, similar letters are anticipated to be mailed over the next few months in

² Descriptions of these segments are available in Status Reports 3 and 4.

³ Florida, Louisiana, Michigan, New York.

Alabama, Kentucky, Nebraska, North Carolina, and Wisconsin, with several other states to follow into late summer and early fall. The Settlement Special Administrator, the automobile manufacturers, and the Independent Monitor for the Takata recall continue to contact state departments to seek their cooperation in this valuable effort.

c. Overall Deployment and Response

A total of 116,146,394 outbound deployments have been made by the Settlement Special Administrator and Outreach Program Vendors to affected consumers. These deployments are broken out by channel below:

Channel	<u>Volume</u>	Overall Appointment Rate ⁴
Direct Mail Pieces	41,480,407	3.85%
Emails	36,012,847	0.47%
Outbound Calls	14,700,399	4.62%
Digital (Facebook) Impressions	23,952,741	Engagement Rate ⁵ – 0.18%

d. Overall Results

The Settlement Special Administrator and Outreach Program Vendors have performed a total of 674,879 appointments and "warm transfers" to allow consumers to schedule appointments directly with dealers, and 2,620,470 recall remedies have been completed since the transition of the Outreach Programs to the Settlement Special Administrator and Outreach Program Vendors⁶.

⁴ "Overall Appointment Rate" measures the number of Takata inflator replacement appointments scheduled by the Settlement Special Administrator and its Outreach Program Vendors relative to the total number of vehicles targeted in each particular channel. As discussed in prior reports, these appointment rate figures are intended to measure relative success of the use of different channels to continually improve the Outreach Programs, but these incremental appointment rates are not intended to illustrate the overall effectiveness of the Outreach Programs so extrapolating these figures in an attempt to do so is imprudent.

⁵ "Engagement Rate" provides the percentage of people who actually engaged with the Digital Impression.

⁶ 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. Furthermore, as mentioned, consumers often schedule repair appointments directly with their local dealerships rather than by calling the Outreach Program's call center to do so. As such, the total recall remedy completion count presented herein cannot

2. Additional Activities and Efforts

In ongoing consultation with the parties, the National Highway Traffic Safety Administration, and the Independent Monitor of the Takata recalls, the Settlement Special Administrator has also undertaken several other activities to be performed in addition to and in conjunction with direct outreach to consumers.

The Settlement Special Administrator and Outreach Program Vendors have contracted with a prominent spokesperson for the mass media plan for national and local advertising on television and radio and for other types of outreach. This will significantly increase the public's awareness, further re-inforce understanding, and legitimize the severity of the Takata recall, with a clear call to action for how viewers, listeners, and recipients can check to see whether they are affected and, if so, how to have their inflators replaced. Deployment of the mass media plan is anticipated to take place over the summer and fall of 2019.

In terms of earned media, the Settlement Special Administrator and Outreach Program Vendors are in the process of deploying public relations materials, including news releases and footage to news organizations, across different states and cities in the country. These efforts will mainly be focused in Zone B for the time being⁷. These efforts are intended to work in conjunction with the ongoing direct outreach efforts via mail, email, outbound calls, etc., and with the impending mass media plan, to reach affected consumers from multiple different angles to more effectively urge them to take action.

be attributed solely to those 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.

⁷ Other organizations supporting the Takata recall are engaged in similar efforts in Zone A over this same time period. As such, the Settlement Special Administrator is focusing on Zone B to avoid confusion for consumers and news media outlets.

As discussed in prior reports, the Settlement Special Administrator is also undertaking

consumer research with respect to those consumers who have not yet had the Takata recall repair

performed. This research will focus on understanding the impediments to repair for those

consumers, how to overcome those barriers, and what messages, language, and imagery might

successfully convince consumers to take action. Focus group and survey participants continue to

be gathered, and this consumer research is expected to begin over the next few months.

Finally, the Settlement Special Administrator and the Outreach Program Vendors continue

to look into varying data sources and providers of consumer contact information to reach affected

vehicle owners for which traditional data sources, like state-sourced vehicle registration records,

have proven unsuccessful.

3. Conclusion

The Settlement Special Administrator offers this Report to ensure that the Court is

informed of the status of the Outreach Programs to date. If the Court would find additional

information helpful, the Settlement Special Administrator stands ready to provide it at the Court's

convenience.

/s/ Patrick A. Juneau

PATRICK A. JUNEAU

Settlement Special Administrator

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on June 5, 2019, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify the foregoing document is being served this day on all counsel of record via transmission of Notice of Electronic Filing generated by CM/ECF.

/s/ Matthew P. Weinshall
Matthew P. Weinshall