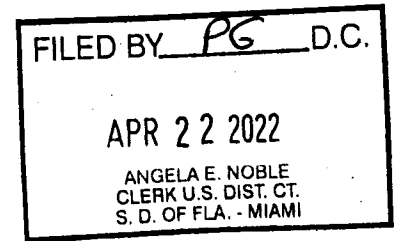


IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA



IN RE: TAKATA AIRBAG PRODUCTS
LIABILITY LITIGATION

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

THIS DOCUMENT RELATES TO:
ECONOMIC LOSS TRACK CASES AGAINST
BMW, FORD, HONDA, MAZDA, NISSAN,
SUBARU, TOYOTA, AND
VOLKSWAGEN/AUDI DEFENDANTS

**REPORT BY THE SETTLEMENT SPECIAL ADMINISTRATOR ON THE
IMPLEMENTATION OF THE OUTREACH PROGRAMS PURSUANT TO THE BMW,
FORD, HONDA, MAZDA, NISSAN, SUBARU, TOYOTA, AND VOLKSWAGEN/AUDI
SETTLEMENT AGREEMENTS**

STATUS REPORT NO. 15 FILED APRIL 20, 2022

The Settlement Special Administrator of the BMW, Ford, Honda, Mazda, Nissan, Subaru, Toyota, and Volkswagen/Audi 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 and the National Highway Traffic Safety Administration 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 goal of maximizing the recall remedy completion rate to the extent practicable given the applicable provisions of the Settlement

¹ The data and information contained in this report is generally as of the end of Q1 2022.

Agreements. Consistent with this, the Settlement 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. Direct Outreach

a. Current and Future Campaigns in Direct Outreach to Affected Consumers

As discussed in prior reports, overall remedy completion totals continue to climb. With this, the incremental effort and cost necessary to achieve each additional remedy increases as well. To combat this, the Settlement Special Administrator and Outreach Program vendors continue to evolve the outreach approach with new and unique tactics.

In addition to the continued use of full hand-written letters which remain effective in driving inflator replacements (and are currently being tested in a greeting card format), the Settlement Special Administrator and Outreach Program vendors have implemented “personal agent” letters. In these communications, recipients are “assigned” a personal agent to assist them throughout the process of scheduling the recall remedy appointment. This form of personalization along with the concept of individualized assistance has proven highly effective in driving response and repair rates.

As per prior reports, Outreach Program vendors continue to locate and identify vehicles on the road with open Takata recalls and to place recall notifications on those affected vehicles. These efforts continue to be valuable, not only in increasing recall remedies but also in gathering information on vehicle location to be leveraged in other forms of outreach such as direct mail. In addition to these tagging efforts, Outreach Program vendors have begun to conduct follow up communications to owners of tagged vehicles, further reiterating the legitimacy of the tags

themselves as well as the severity of the Takata recall in order to influence the individual to have the remedy performed.

The Outreach Program is also testing a variety of new types of letter mailings, including “step-by-step” pieces with simple, easy to understand instructions for having the recall remedy performed (*i.e.*, 1. Call, 2. Bring the Vehicle, 3. Complete Repair). These letters are intended to illustrate for the recipient the straightforward nature of having a defective Takata inflator replacement performed, overcoming the hurdle of owners who perceive doing so to be overly time-consuming and difficult. Additionally, “household” letters are being deployed to individuals who live with or are related to an owner of an affected vehicle who has previously ignored numerous communications about his or her vehicle’s open recall. The concept behind this mailing is that the encouragement to have the recall remedy performed may come not only from the Outreach Program and vehicle manufacturers but also from the owner’s family and loved ones. Lastly, the Outreach Program is rolling out letters that depict how shrapnel explodes throughout a vehicle in the case of a defective Takata inflator rupture, providing the recipient with a visual image of the risk of not having the recall remedy performed.

The Settlement Special Administrator and Outreach Program vendors have also begun including “flow codes” on various mail and digital outreach assets. These are essentially QR codes; however, instead of merely linking the individual who scans the QR code to a single web page, these “flow codes” give the recipient a variety of options, including the ability to call or to text or to chat to schedule a recall remedy appointment, to locate his or her nearest dealer, or even to provide feedback that the recipient no longer owns the affected vehicle. In addition to scheduling recall repair appointments, this allows the Outreach Program to gather additional data on vehicle ownership which then can be intelligently leveraged in future outreach efforts.

Furthermore, the Settlement Special Administrator and Outreach Program vendors have teamed up with the National Highway Traffic Safety Administration (“NHTSA”) to utilize video assets produced by NHTSA² in “Over-the-Top” television (Netflix, Hulu, Amazon Video, etc.) as well as in email outreach deployments. These outreach efforts are specifically targeted at individuals who own vehicles with open Takata recalls. Utilizing unique outreach channels such as Over-the-Top television serves to increase the authenticity of the messaging contained in other more common outreach channels such as mail and phone.

b. Continued Efforts with State Departments and Other Entities

As reported, the Settlement Special Administrator and the automobile manufacturers have engaged various state departments to endorse the deployment of letters on behalf of their respective states to inform affected citizens of the Takata inflator recall and its severity, as well as to provide information on how to have the recall repair completed. These efforts generally have resulted in some of the highest response rates and remedy rates of any communications in the Outreach Programs. In addition to the states in which these letters have previously been mailed³, similar letters have been mailed or are anticipated to be mailed in the coming months in Pennsylvania (its second mailing), South Carolina (its second mailing), Alabama (its second mailing), New Hampshire and California⁴. The Settlement Special Administrator and the automobile manufacturers continue to contact state departments to seek their cooperation in this valuable and effective effort.

² <https://www.youtube.com/watch?v=TIXa4LRcRIA>

³ Louisiana, Michigan, New York, Mississippi, Alabama, Kentucky, Wisconsin, Minnesota, North Carolina, Virginia, Arkansas, Florida, Georgia, Pennsylvania, South Carolina, Ohio, Nebraska, Tennessee, Florida, Texas, and Idaho.

⁴ The mailing of the California DMV letter was previously delayed due to supply shortages severely affecting the paper industry.

Additionally, along with the above State department efforts, the Settlement Special Administrator and Outreach Program vendors have recently entered into an agreement with the United Services Automobile Association (“USAA”) to deploy similar communications to USAA’s insureds who own vehicles with open Takata inflator recalls. Like the DMV-type letters, the Settlement Special Administrator and Outreach program vendors expect the repair rates resulting from these communications to be relatively high, especially given the quality of the underlying owner data as well as the trusted authority of USAA as the recipient’s insurer. Hopefully, this mailing and its processes will provide a template to attract other insurance companies to engage in similar Takata-related outreach in the future.

Lastly, like the USAA letter, the Settlement Special Administrator and Outreach Program vendors recently sent a letter to affected vehicle owners in conjunction with the National Safety Council, a leading nonprofit safety advocate in the United States. Consistent with the State department and USAA communications, the National Safety Council carries the authority necessary to demonstrate to recipients the seriousness of the risk associated with the Takata recall.

c. Overall Deployment and Response

A total of 714,607,249 outbound deployments across all channels have been made by the Settlement Special Administrator and Outreach Program vendors to affected consumers. These deployments are broken out by primary channels below:

<u>Channel</u>	<u>Volume</u>	<u>Total Appointments</u>
Direct Mail Pieces	259,291,453	1,916,100
Emails	156,818,635	72,608
Outbound Calls	61,352,648	516,356
Digital/Facebook Impressions	236,815,163	92 ⁵
Tagging ⁶	329,350	14,342

d. Overall Results

The Settlement Special Administrator and Outreach Program vendors have performed a total of 2,561,651 appointments and “warm transfers” to allow consumers to schedule appointments directly with dealers, and 9,595,270 recall remedies have been completed since the transition of outreach to the Settlement Special Administrator and Outreach Program vendors⁷.

2. Additional Activities and Efforts

At the end of 2021, the Settlement Special Administrator discontinued the use of earned media efforts as part of the Outreach Programs. Given the significant media coverage over the last several years, these earned media strategies greatly assisted in raising affected vehicle owners’ awareness and understanding of the legitimacy and gravity of the Takata recalls. In ongoing

⁵ Social media deployment on Facebook and other platforms is an extremely low-cost channel used primarily to maintain consumer awareness and a social presence to support other outreach activities which more regularly result in appointments and repairs, such as direct mail and outbound phone calls.

⁶ “Tagging” refers to the process referenced in this and prior reports, whereby the Settlement Special Administrator’s Outreach Program vendors actively search for affected vehicles on the road and, when located, place recall notifications on those vehicles.

⁷ Considering the significant efforts put forth towards indirect outreach methods such as mass media and public relations-type activities, Status Reports now 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 automobile manufacturers continue significant and extensive outreach efforts beyond those activities performed by the Settlement Special Administrator in the Outreach Programs under the Settlement Agreements.

consultation with the Parties and the National Highway Traffic Safety Administration, the Settlement Special Administrator and Outreach Program vendors continue to evaluate other activities to be performed in addition to and in conjunction with direct outreach to consumers.

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