

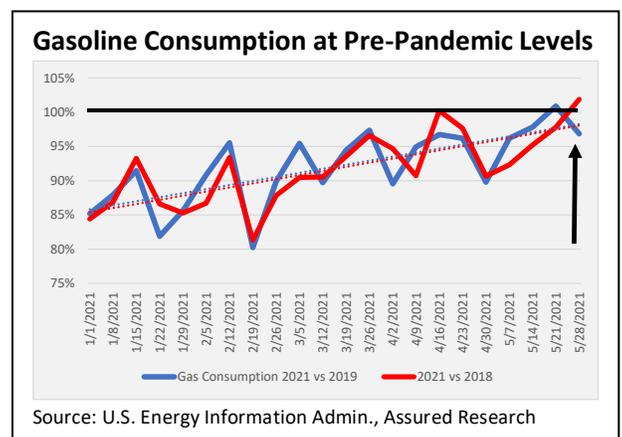
Assured Comment: Letter to Government and Transportation Officials

Re: Roadway and Travel Safety Summer and post Labor Day 2021

Assured Research is a research and advisory firm focused on the Property/Casualty Insurance industry. A meaningful portion of our work is dedicated to researching topics relevant to automobile insurers. We are normally passive researchers, by which we mean to convey that we seek to identify relevant industry trends (hopefully before they happen), then share our thoughts with subscribers; ultimately watching to see whether the trends unfold as we had predicted.

But in light of the traffic dangers we perceive to lie in the immediate future, there is one topic where we feel compelled to step off the sidelines to advocate for safety precautions before a dangerous trend comes to pass. Specifically, we're speaking of what we believe will be a **concerning increase in automobile traffic and risk on America's roadways beginning this summer, but particularly spiking after Labor Day, 2021.**

Relying on pre-pandemic norms and data, we know that while **commuting only accounts for about 30% of all driving, it contributes disproportionately to the volume of car crashes** because of the densely populated roadways during traditional commuting hours. We also know that gasoline consumption has returned to pre-pandemic levels, despite a large percentage of office workers still working from home (WFH); this because more people are using cars for shopping errands and other social events (i.e., people are 'out and about') and using less public transportation.



As we peer into the future, **we find it easy to envision a plausible near-term scenario that would increase the risk of car crashes and bodily injury, perhaps even above pre-pandemic levels.**

Consider that **over the summer and into the early fall of 2021:**

- A meaningful percentage of those currently WFH will begin to return to their offices;
- And while many (perhaps most) employers will use a hybrid schedule, we're mindful that avoidance of public transportation could offset that benefit and return commuting hours to near pre-pandemic levels.
- In a recent research note authored by [Cambridge Mobile Telematics \("CMT"\)](#), they observed that **distracted driving rose after the pandemic began and that it remains elevated;**
- It has been well documented that speeding and fatalities (per vehicle mile travelled) rose during the pandemic. **CMT has documented that speeding, like distracted driving, remains above pre-pandemic levels.**
- Surely some of the 'out and about' traffic we're seeing today will decline as those WFH return to their offices, but with the economy likely to roar and so many itching to exercise post-pandemic freedoms, **it also seems plausible that some of the recently formed driving habits will persist, at least over the near term;**

- **Safe driving on crowded roadways is a skill that has probably atrophied for many people**, at least somewhat since March of 2020.

All of these factors, and probably more we haven't considered, point to **increased risk, and ultimately crashes and injuries that we believe could reach or even exceed pre-pandemic levels.**

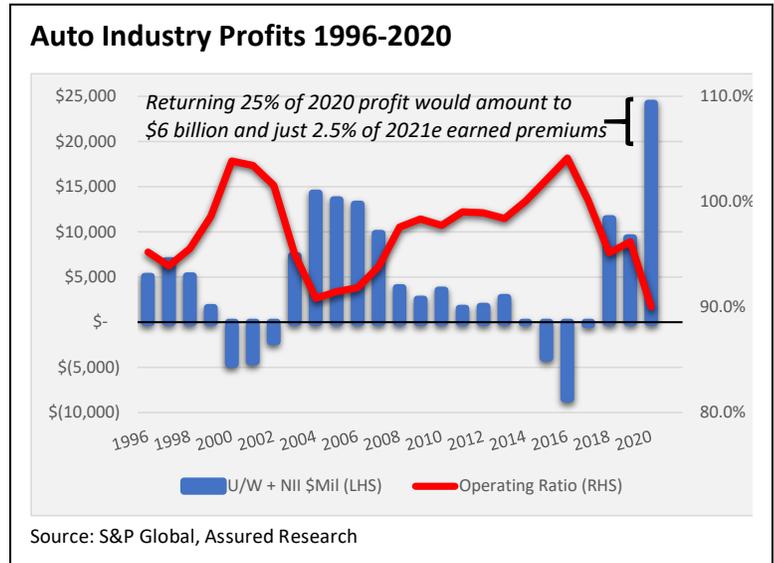
What can government or transportation officials do? Here are some of our thoughts, recognizing that public officials have a far more comprehensive understanding of the public safety infrastructure than us:

- Working from the top down, federal then state and local transportation officials can **spread the word of this looming risk along with concrete plans to disseminate public safety warnings/messages and patrol the roadways more actively** this summer and into the fall of 2021.

- Although we're well out of our league on this topic, we believe **it would be helpful if public health officials could offer clear guidance on the risks** (or, hopefully, lack thereof) **of using public transportation or carpooling** with other vaccinated people.

- Perhaps various government or transportation authorities could **partner with the insurance industry and trade groups to engage in a public safety campaign?**

- **Here is an idea:** Many auto insurers earned substantial profits during 2020. **What if insurers were to offer one-time rebates (e.g., 2.5 - 5% of premiums) to policyholders who avoid claims or moving violations or otherwise exhibit demonstrably safe driving behaviors between July 4th and Thanksgiving, 2021?**



For our part, we'll continue to study the confluence of diverse trends that will influence the scenario we've described (ranging from the rate of economic growth to employer choices re: return to work, etc.). And we'll use our megaphone to warn insurance professionals of the dangers on the horizon. But to make a real impact on the lives of those who could be traumatized or injured by a car crash on a crowded roadway during the summer or fall of 2021 – we encourage your help.

Sincerely,

William Wilt, President

Alan Zimmermann, Managing Director

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June 8, 2021