

## **CHAPTER 4**

### **CONCLUSIONS**

The evidence presented in this report casts serious doubt on contentions that no-fault auto insurance as implemented in the United States has led to greater driver negligence and higher accident rates. Inspection of the differences in fatal accident rates in tort and no-fault states both before and after the implementation of no-fault between 1971 and 1976 shows no-fault had no effect on fatal accident rates during that time. Moreover, there is little reason to believe that failure to control for factors that influenced the adoption of no-fault, such as rising insurance costs, should bias the effect of no-fault on fatalities toward zero.

Additional analyses found little evidence that the overall accident rate or the rate of driver negligence in fatal accidents in no-fault states exceeds that in tort states. If anything, no-fault states appear to have lower overall accident rates and a lower rate of driver negligence generally than found in tort states.

Presumably, the overriding reason to drive carefully is self-preservation, an incentive that does not vary between no-fault and tort states. Indeed, the FARS data show quite clearly that driver negligence is more likely to result in the fatality of a negligent driver than in the fatality of a non-negligent driver. First, 41 percent of all fatal accidents between 1979 and 1994 involved a single vehicle for which the fault for the accident (if any) rests with a single driver. Moreover, in two-car accidents, 52 percent of all negligent drivers died compared with 32 percent of non-negligent drivers. The margin over which no-fault might change the incentive to drive with care seems rather small in comparison.

In the United States, there exists little reason to believe that no-fault auto insurance affects incentives to drive safely for the vast majority of drivers. Therefore, there may be reasons to oppose the concept of no-fault auto insurance, but its effect on driver behavior and accidents should not be among them.