

Attorney General Raoul Announces Nearly \$85 Million Settlement With Honda

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Chicago – Attorney General Kwame Raoul today announced a nearly \$85 million multistate settlement with American Honda Motor Co., Inc. and Honda of America Mfg., Inc. (collectively Honda), resolving allegations that Honda concealed safety issues related to defects in the frontal airbag systems installed in certain Honda and Acura vehicles sold in the United States. The systems were designed and manufactured by Takata Corporation, a long-time Honda supplier, and were first installed in Honda vehicles in the 2001 model year.

The settlement, reached between the attorneys general of 48 states, territories, and the District of Columbia and Honda, concludes a multistate investigation into Honda's alleged failure to inform regulators and consumers that the frontal airbags posed a significant risk of rupturing, which could cause metal fragments to fly into the passenger compartments of many Honda and Acura vehicles. The ruptures have resulted in at least 14 deaths and over 200 injuries in the United States alone.

“Honda put the health and safety of thousands of drivers and passengers at risk by concealing a major safety issue related to defects in the airbag systems in certain cars,” Raoul said. “This settlement holds Honda accountable and helps to ensure consumers will be protected in the future.”

Raoul and the coalition alleged that Honda engineers suspected that the airbags' propellant, ammonium nitrate, could burn aggressively and cause the inflator to burst. Despite these concerns, Honda delayed warning consumers or automobile safety officials, even as it began partial recalls of affected vehicles in 2008 and 2009. Further, Honda continued to represent to consumers that its vehicles, including its airbags, were safe. Since 2008, Honda has recalled approximately 12.9 million Honda and Acura vehicles equipped with the suspect inflators.

Raoul and the coalition also alleged that Honda's failure to act, as well as its misrepresentations about the safety of its vehicles, were unfair and deceptive, and that Honda's conduct violated state consumer protection laws.

Under the terms of the consent judgment, Honda agreed to pay the participating states a total of \$84,151,210.15, of which Illinois is receiving \$2,496,588.83. Honda has also agreed to strong injunctive relief which, among other things, requires it:

- To take steps to ensure that future airbag designs include “fail-safe” features to protect passengers in the event the inflator ruptures.

- To adopt changes to its procurement process for new frontal airbags, to ensure that its suppliers have the appropriate industry certifications and satisfy key industry performance standards, as well as improve record-keeping and parts tracking.
- To implement recurrence prevention procedures designed to prevent a tragedy like this from ever happening again, such as requiring that Honda approve all new frontal airbag designs *before* the company will consider them for use in new Honda vehicles.
- To abide by prohibitions on misleading advertisements and point-of-sale representations regarding the safety of Honda's vehicles, including the airbags.
- To make improvements in critical areas such as risk management, quality control, supplier oversight, training and certifications, and implementing mandatory whistleblower protections.

Consumers who own a Honda or Acura vehicle are strongly encouraged to visit Honda's airbag recall website at <https://hondaairbaginfo.com>, or call its Customer Service toll-free number at (888) 234-2138, to see if their vehicle is subject to a recall. Consumers may also check for open recalls by going to Safercar.gov. All safety recall repairs are free at authorized Honda dealers. Consumers can also contact Attorney General Raoul's Consumer Fraud Hotline at 1-800-386-5438 (Chicago), 1-800-243-0618 (Springfield), or 1-800-243-0607 (Carbondale) with any questions about this settlement.

Joining Raoul in this settlement are the attorneys general of Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Guam, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Northern Mariana Islands, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.