

# Forum

A monthly publication reporting on issues affecting the insurance industry in Ohio

**Summer 2003**



172 E. State St., Suite 201  
Columbus, Ohio 43215-4321  
614/228-1593  
Fax: 614/228-1678  
www.ohioinsurance.org  
Kathleen B. Strawn, Editor

Labor Day comes early this year —most of the holiday weekend falls in August. This fact alone could help spur Americans to travel in numbers that are the highest in at least nine years, according to AAA. AAA estimates that 33.4 million Americans will travel 50 miles or more from home this holiday, up about 1.8 percent from last year. (The previous high for Labor Day travel was 33.2 million in 1995.)

Approximately 28.2 million travelers (84 percent of holiday travelers) expect to go by motor vehicle, a 2.2 percent increase from the 27.6 million who drove a year ago. Another 3.7 million (11 percent of holiday travelers) plan to travel by airplane, down 2.6 percent from last Labor Day holiday. A projected 1.5 million vacationers (5 percent) will go by train, bus or other mode of transportation, up from 1.4 million a year ago.

Research is based on a national telephone survey of 1,300 adults by the Travel Industry Association of America, which conducts special research for AAA. □

Beware the full moon.

A British insurance company is warning drivers to be extra careful when the full moon rolls around. Contradicting dozens of studies finding no relationship between lunar phases and human behavior, the Churchill Insurance Group PLC claims to have found a statistical link in its database of 3 million auto policies between bad driving and how much of the moon is visible from Earth.

It says there are on average 14 percent more accidents during full moon periods than during new moon periods. "This intriguing data...show that all types of accidents increase, from multi-vehicle crashes, single car collisions to drivers simply reversing into lampposts," the company said in announcing its study results.

Neither the National Highway Traffic Safety Administration nor the United States' largest auto insurer, State Farm, has studied the purported phenomenon.

Churchill Insurance Group passes along a variety of dietary tips to circumvent the full moon phenomenon, including avoiding meat, salt, eggs and alcohol and increasing intakes of lightly cooked or raw vegetables and fruits. Better still, it suggests, don't travel by car. □

Motor-vehicle crashes remain the nation's leading cause of death for 15-to 20-year-olds. In many cases, experts say that seat belts could have made a difference, according to an article in the *Columbus Dispatch*.

## Labor Day Travel

33.4 million Americans expected to "get outta town"

## Auto Accidents

British insurer finds link between bad driving and full moon

## Teenagers & Seat Belts

## Teenagers & Seat Belts

Two-thirds of teens killed in crashes not belted

Of the 5,341 teens killed in crashes in 2001, two-thirds were not wearing seat belts, according to statistics from the National Highway Traffic Safety Administration (NHTSA).

Overall, about three-quarters of Americans say they wear seat belts, according to NHTSA surveys. Among those ages 16 to 24, 69 percent say they wear their seat belts — an improvement over years past. But experts say those numbers are still not good enough.

A classroom survey released this year by Volkswagen found that about a third of high-school students deemed seat belt use “uncool.” Thirty percent said belts were uncomfortable or would wrinkle their clothing, while 20 percent said they thought seat belts were unnecessary on short trips. And 18 percent said a feeling of invincibility — “nothing will happen to me” — stopped them from regularly buckling up. □

## Fraud

One in three companies hit by economic crime

More than a third (37 percent) of companies around the world have been victims of economic crime or fraud in the past two years, according to a survey by PricewaterhouseCoopers. Researchers said each lost, on average, about \$2.2 million.

The survey, which included more than 3,600 interviews with chief executive officers and chief financial officers in more than 50 countries, found that the highest level of fraud was reported in Africa (51 percent) and North America (41 percent).

Other key findings are as follows:

- The bigger you are, the harder you fall: companies with more employees are more likely to have suffered from economic crime.
- No industry is safe: over one third of respondents in each of the industries interviewed suffered fraud.
- Asset misappropriation is the most widely reported crime. It also is the easiest crime to detect, with 60 percent of all victims citing this as one of the frauds they had suffered.
- The impact on reputation, brand image, and staff morale can be more important than the direct financial loss.
- One-third of respondents stressed the company’s board had ultimate responsibility for preventing or managing economic crime — but only just over a quarter had given their boards any risk management training.
- Almost three quarters of victims of crime recovered less than 20 percent of their losses; only half of respondents had insurance against economic crime, but they recovered more of their losses. □



172 E. State St., Suite 201  
Columbus, Ohio 43215-4321

Presorted Standard  
US Postage  
**PAID**  
Columbus, OH  
Permit No. 6036