

# THE MORNING CALL

## Artificial speed limits mainly benefit auto insurance companies

By: Paul Carpenter  
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As Pennsylvania looks forward to a modest increase in speed limits on certain sections of a few highways, it might be helpful to look back to the last time the state made significant changes along those lines.

In 1995, the state raised the limit on most rural interstates from 55 mph to 65 mph, ending two decades of a bogus national crusade to make motorists go slow, first justified as a fuel-saving measure, and then, when that was shown to be fraudulent, as a traffic safety measure.

(If the government truly wanted to save fuel, it would limit engine displacement. Did we need muscle cars with 7-liter engines that went less than 10 miles on a gallon of fuel? If government could force every car to have a useless third brake light, it certainly could have made a rule on gas guzzlers.)

Anyway, the national 55-mph speed limit of the mid-1970s was eased in 1987 to let states raise limits to 65 on interstate highways, and then the earlier measure was repealed altogether in 1995.

Pennsylvania, of course, was among the last states to go back to 65, just as we are among the last states to go to 70 mph. The increases come much to the dismay of "Driving Miss Daisy" types and the auto insurance industry, even as other states now have speed limits as high as 85 mph.

The increase to 70 mph, as reported in a story in The Morning Call on Thursday, will take effect Aug. 11 on sections of two interstates — I-380 in Monroe and Lackawanna counties and I-80 in western Pennsylvania — and already is in effect on the Pennsylvania Turnpike from a point south of Reading to a point west of Carlisle.

And what happened after the 1995 action, which traffic safety tyrants guaranteed would result in increased fatality rates?

According to the Cato Institute, Pennsylvania's fatality rate per 100 miles traveled did not go up. In fact, from 1995 to 1996, that rate *decreased* 6.3 percent in the state.

Nationally, the American Automobile Association reported that after the 55 mph farce was abandoned, there was "a continuing gradual decline in mileage death rates in actual numbers of highway deaths."

A study by the University of California found that states that promptly increased speed limits after the 1987 federal action had more improvement in fatality rates than states, including Pennsylvania, that stuck with 55 for a few more years.

Why would higher speed limits result in lower fatality rates?

John Bowman, a spokesman for the National Motorists Association, told me that "speed differential is really what causes most accidents," and when official speed limits are artificially low, some motorists will ignore them while others mope along at the posted limit.

"When you raise those limits, accident statistics go down, actually," he said.

So apart from "Driving Miss Daisy" types (the movie's title character ordered her chauffeur to keep it under 20 mph), and apart from the corrupt government authorities who profit from speed traps, why would anybody want to push for artificially low speed limits that actually cost lives?

"The insurance industry," Bowman said.

It's not because that industry wants everybody to slow down as a way of reducing accident insurance payments. He indicated it's more sinister than that.

Insurance rates, generally, are regulated by government and cannot be significantly raised without specific justifications.

"The insurance industry benefits greatly when the speed limit is low," Bowman said. That results in more drivers going at speeds for which a highway is actually designed and constructed, resulting in more speeding citations, which lets the insurance industry increase premiums for those drivers.

"We estimate," Bowman said, "that the premiums associated with those increases are in the \$5 billion to \$7 billion range."

I found that hard to believe, so I checked with the Insurance Institute for Highway Safety in Virginia, which lobbies for lower speed limits. The people there referred me to Michael Barry at the Insurance Information Institute in New York City.

"How much does the insurance industry gain financially," I asked Barry by email, "from its ability to increase auto insurance rates based on speeding citations and convictions?" His reply: "I doubt strongly there's been a study quantifying an answer ... because so many variables besides receipt of moving violations go into setting a policyholder's premium."

I also asked how much the insurance industry spends on political campaign contributions, nationally and in Pennsylvania. Barry referred me to a chart showing huge insurance industry political contributions in general, but not specifying auto insurance. "We were unable to find any other definitive information," he said.

Meanwhile, there are many examples in Pennsylvania of artificially low speed limits.

When the Pennsylvania Turnpike first opened in 1940, there was no speed limit at all, but a 70-mph limit was imposed in 1941, and would not be restored until this month. The more recent Route 222 Bypass in Lehigh County was designed and constructed, at tremendous cost to taxpayers, for speeds of 60 mph or more.

The limit there is 45 mph, which must be a fabulous windfall in premium hikes for insurance companies.