



BRIGHT LIGHTS: As of July 2014, there were 5,200 digital billboards in the United States, according to the Outdoor Advertising Association of America.

A Sign of the Times

Do digital billboards pose a threat to driver safety and increase claims for auto writers?

by Lori Chordas

Digital billboards advertising the latest product, concert or restaurant special are designed to draw drivers' attention as they venture down the highway. But there is growing concern that the bright, flashing lights of these large roadside displays are creating more than just a quick message alert.

These signboards, research shows, distract drivers more than any other type of sign, said Mary Tracy, president of Scenic America, a nonprofit dedicated to preserving and enhancing the scenic character of America's roadways and communities. In fact, recent studies have found that when drivers take their eyes off the road for more than two seconds, they are far more likely to suffer a crash or near crash.

"Digital billboards are extremely bright, colorful and change advertisements frequently," added Tracy, whose organization is leading the charge to curtail what she calls "billboard blight."

"As humans, we're hard-wired to look at bright lights and motion," she said. "And when you look at these signs, you're not looking at the road ahead."

Tracy said most digital display images change every six seconds—roughly the same amount of time the billboard industry suggests it takes to absorb the average billboard advertisement. "That's also three times longer than it takes to cause an accident," she said. "Each new flash of an advertisement draws our attention, and many signs have up to 10 different ads in rotation."

Not everyone agrees that digital billboards are a road hazard. Several studies, including two in 2007—a crash causation and statistical study by the consulting-engineering firm Tantala Associates, and a human factors study by the Center for Automotive Safety Research at Virginia Tech's Transportation Institute, both sponsored by the Outdoor Advertising Association of America—found that digital billboards are no more likely to cause traffic accidents than conventional billboards. Three years later, a study by the Federal Highway Administration drew a similar conclusion, although the study, Tracy says, was highly criticized by peer reviewers.

While there has not yet been a definitive answer on either side, skeptics question whether insurance

Key Points

- ▶ **Lighting the Sign:** Like cellphones, texting and eating behind the wheel, some groups fear digital billboards are distracting drivers.
- ▶ **The Message:** There's evidence on both sides of the digital debate as to whether the signs contribute to more traffic accidents.
- ▶ **Generating Reaction:** While the insurance industry isn't seeing increased claims, it's keeping a close eye on the issue.

Video:

Go to **page 46** of the digital edition at bestreview.com to watch a video about this story.

www.bestreview.com

carriers are being blinded by digital billboards that may have an adverse impact on driver performance and increase auto accident claims.

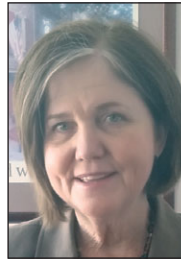
Safety Alert

Robert Passmore, senior director of personal lines policy for the Property Casualty Insurers Association of America, isn't so sure.

So far he's heard little from auto writers on the issue. "However, there have always been a lot of distractions when driving," Passmore said.



A study by the National Highway Traffic Safety Administration and the Virginia Tech Transportation Institute found driver distraction accounts for 80% of crashes and 65% of near-crashes. In 2010, distracted driving claimed the lives of 5,474 people and injured another 448,000.



“The insurance industry could make a critical difference in the discussions on traffic safety by evaluating the current research on digital billboards.”

—Mary Tracy,
Scenic America

“It seems like the next set of distractions takes the place of something else,” Passmore said. “So instead of playing with your radio, people are texting. Or if they’re not using their cellphones, they may be distracted by a fancy billboard. The most important thing is that drivers are aware of how dangerous distracted driving is, and understand that the best way to keep themselves, their passengers and other motorists safe, is to keep their focus on the road.”

Digital billboards aren’t flashing a warning sign for Nationwide Insurance, said Bill Windsor, vice president of safety. “We aren’t seeing increased claims activity as a result of the signs, but certainly any distraction that takes a driver’s eyes off the road is dangerous and can lead to increased crash risk. And there is, through research, evidence that digital billboards do get drivers’ attention, but their impact on crashes really isn’t as clear at this point.”

Scenic America, however, stands firm on its convictions.

“Digital signs should be banned,” said Tracy. “While traditional static road signs have become visual background noise for drivers, electronic signs don’t do the same because of their bright illumination and constantly changing advertisements.” There’s also concern that older drivers are much more sensitive to the glare of bright lights at night.

Tracy said a recent study of one of Israel’s busiest roadways shows for the first time a correlation between billboards along highways and driver crashes. “By order of the court, they covered up or removed signs along certain segments of the Israeli highway. Compared with areas where the signs remained, they found a one-third overall reduction in crashes or near crashes, and the number of serious injuries and deaths during a certain time period dropped from 55 down to 17. That tells us distractions are

something that insurers may want to look at, because at the end of the day their clients are the ones paying for the impact of those accidents.”

At this point, however, carrier awareness of the issue is low, Tracy noted. “I bet most don’t know about the studies that have been conducted. It would be great if the industry looked at this with a careful eye as to what is and should be policy. In Australia, the insurance industry paid money to some municipalities to reduce crashes, by looking at where crashes occur to make roads safer. At the end of the day they believed it was better to spend money up front and have safer roads than deal with expenses stemming from accidents and loss of life that can’t be compensated for.

“We would really love to see the insurance industry take a more active role in what’s going on,” she added. “One thing that upsets us now is that many state departments

A Two-Way Street

Insurers face a double-edged sword of sorts when it comes to the digital billboard debate. While some may question whether the signs drive up accident rates, many also are drawn to them as places to advertise their brand names, said Mary Tracy, president of Scenic America.

“If an insurer is selling car insurance and talking about driver safety, yet is advertising on a billboard where people are taking their eyes off the road, they’re sending a double message,” she noted.

But the allure of a large platform for messages and the ability to update and change content within minutes, even allowing messages to be timed to the season or time of day, is a big

attraction for advertisers. There are also savings to be had because companies can share a single location.

Insurers spent nearly \$4.3 million on digital billboards during the first six months of 2014, a 65% rise from the same period in 2013.

During the first half of 2014, outdoor advertising accounted for \$1.95 billion in ad spending, \$215 million of which was spent on digital ads, according to Kantar Media. Insurers alone spent nearly \$4.3 million on digital billboards during the first six months, a 65% rise from the same period in 2013.

While the number of digitized billboards along U.S. highways pales in comparison to traditional static billboards, the Outdoor Advertising Association of America said the number last year increased 20% to 4,900.



“Certainly any distraction that takes a driver’s eyes off the road is dangerous and can lead to increased crash risk.”

—Bill Windsor,
Nationwide Insurance

of transportation are looking at their laws and rewriting them to allow digital billboards at the request of the industry. This is an opportunity for carriers to look at some of the safety guidelines they helped implement. If the departments are changing rules for signs then let’s change them for the better and make roads as safe as they can be.”

Roadway dangers aren’t the only concern. “Property values are decreasing where digital billboard lights are now blinking into homes and businesses,” Tracy said. “A study of static billboards in Philadelphia found any property within 500 feet of a billboard was worth \$31,000 less across the board. Also, each additional billboard within a census tract resulted in a further decrease in home values of \$1,000 for every sign. So there are many things insurers can be impacted by when it comes to digital signs.”

Shedding Some Light

While Tracy says other nations are “regulating this issue differently and conducting serious scientific studies,” the United States continues to lag behind.

“Sadly, the U.S. government has really taken the position that it doesn’t know if there is any danger here. It hasn’t looked at repercussions about what signs can do to driver safety before allowing them to proliferate,” she added. “The Highway Beautification Act of 1965 calls for no flashing or intermittent lighting on signs along federal aid highways.” But in 2007, the Federal Highway Administration issued guidance that said as long as a sign’s message is static for four seconds or more

it is not considered intermittent or flashing. “We disagree, and we’re now challenging that guidance in court,” Tracy noted.

States also have started to weigh in, with many placing laws on their books that regulate size, lighting and spacing of digital displays. For instance, a study of information gathered from Michigan’s Department of Transportation found that while the overall rate of crashes has gone down in recent years, the number of crashes occurring near digital billboards climbed, Tracy said. Michigan recently enacted a new law that regulates how bright the signs can be, how they are lit and how often ads can be rotated. Also, digital billboards in the state cannot be closer than 1,750 feet to each other unless they were up before the law was signed.

But that’s not enough, Tracy says. Scenic America continues to lobby for local and state governments to enact moratoriums on digital signs until definitive safety research is concluded. Alaska, Hawaii, Maine and Vermont prohibit all billboards, and cities like San Francisco, St. Louis and Denver have imposed bans on digital billboards.

However, the lights shouldn’t dim on all electronic signs, she added. Scenic America believes official emergency and law enforcement communications do not pose a threat to public safety because the signs adhere to a uniform code on traffic control devices—a set of standards written by traffic safety engineers to minimize driver distraction.

Danger Ahead?

Will the lights eventually dim on digital billboards?

“I’m afraid we’ll see even more safety dangers in the U.S. going forward,” Tracy said.

“The government has let the industry have their way, and unless there are some drastic changes made we’re looking for things to only get worse. The main obstacle for reducing the number of digital billboards is powerful lobbying by a deep-pocketed billboard industry.”

However, Scenic America isn’t giving up the fight. Tracy hopes ongoing discussions among regulators will continue to heat up.

“The insurance industry could make a critical difference in the discussions on traffic safety by evaluating the current research on digital billboards,” she said.

“Carriers care about safety and property values—things that are definitely impacted by the proliferation of digital billboards,” Tracy added. “So they can become an important voice for reasonable policy making in this area.”

The insurance industry would be “well-thought to conduct studies of its own on whether digital signs are causing accidents, not just for the protection of consumers but also to protect carriers’ own pocketbooks, because they are ultimately the ones paying for this,” added James Ballidis, president of the Newport Beach, Calif.-based law firm Allen, Flatt, Ballidis and Leslie.

“In litigation and disputes that surround these cases, it’s easier for a plaintiff’s attorney to just say ‘someone rear-ended my client because they were distracted’ than to try and prove some signage had something to do with it,” Ballidis remarked. **BR**

Learn More

Nationwide Mutual Insurance Co.
A.M. Best Company # 002358
Distribution: Exclusive and independent agents

For ratings and other financial strength information visit www.ambest.com.