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CHRYSLER AND GM BANKRUPTCIES: WIPING OUT THE RIGHTS OF CATASTROPHICALLY-INJURED VICTIMS

WHAT IT MEANS FOR CONSUMERS

According to the Chrysler bankruptcy plan, families driving any Chrysler now on the road (more than 10 million vehicles), whose occupants are severely injured in a collision or otherwise **because** the car was not made safely, will have no recourse against the company. The GM bankruptcy proposes the same thing (more than 30 million vehicles).*

PARTS VS. PEOPLE

- Every year, there are about 500 to 1000 serious injuries or deaths due to cars that are designed or built with defects. The rights of all of these men, women and children are extinguished under the Chrysler and GM bankruptcy plans. Some of these defects include:
 - seatbelts that fail and strangle children;
 - seat backs that collapse and cause brain injury;
 - unstable vehicles that flip and roofs that cave, crushing occupants;
 - cars with gears that “self-shift” from park to reverse and run someone over; and
 - gasoline tanks or brake fluid containers that are improperly positioned and catch fire or explode, severely burning or killing the occupants.
- In the Chrysler bankruptcy, warranties will be honored and money is set aside to cover replacement of defective car parts. However, if the part causes an accident or leads to a catastrophic injury or death, the company is off the hook.

BUYER BEWARE

- Other car companies can still be held accountable for making unsafe cars; Chrysler or GM cannot.

During the Chrysler bankruptcy proceeding, CEO Robert Nardelli was questioned about the fact that “Chrysler isn’t willing to stand behind ... injured customers and people who have things that are not covered by the warranty on the old cars.” Nardelli responded that it’s an “individual consumer decision.”

* This is a conservative estimate reflecting the approximate number of vehicles still under warranty based on sales. However, with the exception of states with statutes of repose for product liability claims, defect claims can be brought at any time irrespective of the year of a vehicle's manufacture. Based on 2008 vehicle registration data from RL Polk there are approximately 30 million Chrysler and 69 million GM cars and light trucks on the road. *2008 US Light Duty Vehicle Registrations, RL Polk Inc.*