



NEWS RELEASE

Jason R. Ravensborg

South Dakota Attorney General

Charles McGuigan

Chief Deputy Attorney General

Tim Bormann

Attorney General Chief of Staff

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SOUTH DAKOTA ANNOUNCES \$85 MILLION MULTISTATE SETTLEMENT WITH AMERICAN HONDA MOTOR COMPANY, INC. AND HONDA OF AMERICA MFG., INC.

PIERRE, S.D. – Attorney General Jason Ravensborg today announced a multistate settlement with American Honda Motor Co., Inc. and Honda of America Mfg., Inc. (collectively “Honda”), over allegations Honda concealed safety issues related to defects in the frontal airbag systems installed in certain 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, worth more than \$85 million, concludes a multistate investigation into Honda’s alleged failure to inform regulators and consumers that the airbags posed a significant risk of rupture, 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.

“This is an important settlement showing that businesses must be held accountable when they choose to put the safety of their customers anywhere but first in line,” said Ravensborg. “I am proud of the hard work performed by my office and Assistant Attorney General Phil Carlson who has been on this case as a leader in this multistate effort since day one.”

The states have alleged that Honda engineers suspected that ammonium nitrate, the propellant for the airbags, could burn aggressively and cause the inflator to burst. Despite these concerns, Honda delayed warning anyone even as it began partial recalls of affected vehicles in 2008 and 2009. Honda continued to represent to consumers that its vehicles and airbags were safe. Since 2008, Honda has recalled approximately 12.9 million Honda and Acura vehicles equipped with the suspect inflators.

The allegations are that Honda’s actions were unfair and deceptive, and that Honda’s conduct violated state consumer protection laws, including South Dakota’s Deceptive Acts and Practices statutes in SDCL 37-24.

Under the terms of the consent judgment, which will be filed with the Hughes County Circuit Court, Honda has agreed to strong injunctive relief, which, among other things, require 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.

Honda also agreed to pay the participating attorneys general a total of \$85,151,210.15, of which South Dakota's share is \$2,011,282.41.

South Dakota was a leader of the multistate effort, along with South Carolina, Arkansas, Connecticut, District of Columbia, Florida, Georgia, Maryland, New Jersey, Oregon, and Texas – other states and territories include Alabama, Alaska, Colorado, Delaware, Guam, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New York, North Carolina, North Dakota, Northern Mariana Islands, Ohio, Pennsylvania, Rhode Island, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

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 the [Consumer Protection Division of the Office of the Attorney General](#) with any questions about this settlement.

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CONTACT: Tim Bormann, Chief of Staff, Tim.Bormann@state.sd.us, (605) 773-3215