

	Years 1-9	Total
Total cars sold	2,600,000	2,600,000
Total car-years	13,000,000	26,000,000
Number of deaths	13	26
Avg car-years per death	1,000,000	1,000,000
Avg. tort award per death (\$m)	\$4.5	\$4.5
Total tort awards (\$m)	\$58.5	\$117.0
Cost of replacement part (per car)	\$0.57	
Cost of labor (per car on road)	\$50.00	
Discount rate	10.0%	

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Cars sold during year	288,889	288,889	288,889	288,889	288,889	288,889
Cars on the road (at beginning of year)	–	288,889	577,778	866,667	1,155,556	1,444,444
Avg. # of deaths	–	0.3	0.6	0.9	1.2	1.4
Expected tort awards	–	\$1.3	\$2.6	\$3.9	\$5.2	\$6.5
NPV of total awards	\$45.8	\$50.4	\$54.1	\$56.9	\$58.7	\$59.4
Cost to replace switch - new cars (\$m)	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
Cost to replace switch - all cars on road	–	\$14.4	\$28.9	\$43.3	\$57.8	\$72.2
Cost to prevent tort	\$0.9	\$15.3	\$29.7	\$44.1	\$58.4	\$72.7
Net NPV (delta)	\$44.8	\$35.0	\$24.4	\$12.9	\$0.3	(\$13.4)

Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
288,889	288,889	288,889	–	–	–	–	–	–
1,733,333	2,022,222	2,311,111	2,600,000	2,600,000	2,311,111	2,022,222	1,733,333	1,444,444
1.7	2.0	2.3	2.6	2.6	2.3	2.0	1.7	1.4
\$7.8	\$9.1	\$10.4	\$11.7	\$11.7	\$10.4	\$9.1	\$7.8	\$6.5
\$58.8	\$56.9	\$53.5	\$48.4	\$41.6	\$34.0	\$27.0	\$20.6	\$14.9
\$0.2	\$0.2	\$0.2	–	–	–	–	–	–
\$86.7	\$101.1	\$115.6	\$130.0	\$130.0	\$115.6	\$101.1	\$86.7	\$72.2
\$87.1	\$101.4	\$115.7	\$130.0	\$130.0	\$115.6	\$101.1	\$86.7	\$72.2
(\$28.3)	(\$44.5)	(\$62.2)	(\$81.6)	(\$88.4)	(\$81.5)	(\$74.1)	(\$66.0)	(\$57.3)

Year 16	Year 17	Year 18	Year 19
-	-	-	-
1,155,556	866,667	577,778	288,889
1.2	0.9	0.6	0.3
\$5.2	\$3.9	\$2.6	\$1.3
\$9.9	\$5.7	\$2.4	\$3.4
-	-	-	-
\$57.8	\$43.3	\$28.9	\$14.4
\$57.8	\$43.3	\$28.9	\$14.4
(\$47.9)	(\$37.6)	(\$26.5)	(\$11.0)