



**DCI Solution**

SPECIALTY VALUATIONS, SPECIALTY VEHICLES, SPECIAL SERVICE

# TOTAL LOSS

APPROVED METHODS AND THRESHOLDS BY STATE



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## Alabama

<b>RESOURCES</b>	AL ST s 32-8-87; AL ADC 482-1-125-.08
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>When an insurance company has paid money or made other monetary settlement as compensation for a total loss of any motor vehicle, the motor vehicle shall be considered to be salvage. The owner of every motor vehicle in which total loss or salvage has occurred in this state, shall, within 72 hours after the total loss or salvage occurs, make application for a salvage certificate of title and forward to the department the certificate of origin or certificate of title to the motor vehicle, whereupon the department shall process the certificate of origin or certificate of title in a manner prescribed by law or regulation. An insurance company which pays money or makes other monetary settlement as compensation for total loss of a motor vehicle shall at the time of payment or monetary settlement obtain the vehicle's properly assigned certificate of origin or certificate of title and, as soon as practicable after receiving it, shall forward it along with their application for a salvage certificate, to the department for processing. In the event the payment or monetary settlement was made because of the theft of the vehicle, which shall be considered a total loss as defined in this section, the insurance company shall forward the vehicle's properly assigned certificate of origin or certificate of title as provided herein, to the department as soon as practicable after the vehicle is recovered. When a stolen motor vehicle has been reported to the department in compliance with this section and is later recovered, and for which a salvage certificate has been issued, the owner recorded on the salvage certificate shall assign that certificate to the purchaser.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>Current edition of a nationally recognized compilation of retail values, including automated databases.</p> <p>When a first party automobile total loss is settled on a basis which deviates from the methods described in Subparagraphs (a) and (b) of Paragraph (1), the deviation must be supported by documentation giving particulars of the automobile condition. Any deductions from such cost, including deduction for salvage, must be measurable, discernible, itemized, and specified as to dollar amount. The basis for such settlement shall be fully explained to the first party claimant.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	If partial losses are settled on the basis of a written estimate prepared by or for the insurer, the insurer shall supply the insured a copy of the estimate upon which the settlement is based.
<b>SALES TAXES AND FEES</b>	The insurer shall pay all applicable taxes, license fees, and other fees incident to transfer of evidence of ownership of the automobile paid, at no cost other than any deductible provided in the policy.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 75%</p> <p><u>Comments:</u> Damage to vehicle is greater than 75% of fair retail value prior to damage. Vehicle is "salvage" when (1) frame or engine removed and not immediately replaced, or (2) when insurer has paid a total loss on vehicle.</p>

## Alaska

<b>RESOURCES</b>	AK ST s 28.10.271; AK ST s 28.10.321; 3 AK ADC 26.080; Alaska Stat. § 92.170
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>When the owner of a registered vehicle transfers or assigns the owner's title or interest in the vehicle, the registration of the vehicle expires; however, the registration plates remain on the vehicle, except as otherwise provided in AS 28.10.181.</p> <p>The owner shall, at the time of delivery of the vehicle, endorse an assignment and warranty of title to the transferee in the space provided on the certificate of title. The owner shall deliver the certificates of title and registration to the transferee at the time of delivery of the vehicle, except as otherwise provided in AS 28.10.291.</p> <p>The owner shall notify the department of the transfer or assignment of the owner's title or interest in the vehicle within 10 days following transfer or assignment. This notification shall constitute a valid transfer under AS 28.10.321 and 28.10.361.</p> <p>The new owner shall, within 30 days, present the certificates of title and registration properly endorsed to the department, apply for a new title, and register the vehicle as upon an original registration.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>The cost shall be determined by:</p> <p>(i) the cost of a comparable motor vehicle in the local market area to the claimant, if that motor vehicle is available in that area; or</p> <p>(ii) the average of two or more cost quotations obtained for a comparable motor vehicle from two or more qualified dealers located within the local market area, if a comparable motor vehicle is not available in that area; or</p> <p>(iii) a basis that is allowable under the coverage but deviates from the rules set out in (i) and (ii) of this subparagraph, if the deviation is supported by documentation in the claim file which gives the particulars of the condition of the motor vehicles involved; any deduction from the cost of a comparable motor vehicle, including deduction for salvage value, must be a fair and appropriate amount; the basis for the deduction shall be fully explained to the claimant. 3 AK ADC 26.080</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	Any person transacting a business of insurance who participates in the investigation, adjustment, negotiation, or settlement of a first-party motor vehicle claim must provide to a first-party claimant a reasonable written explanation of the valuation of damages to the motor vehicle.
<b>SALES TAXES AND FEES</b>	An application for certificates of title and registration must be accompanied by any required registration fees and taxes, transfer of title and lien fees, and by the previous certificates of title and registration, if any.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments:</u> Cost of repairing damage to the vehicle exceeds vehicle's worth or insured value. No statutory definition of "salvage vehicle." Vehicle is "wrecked vehicle" when so disabled that can't be used for primary function without substantial repair or reconstruction.</p>

## Arizona

<b>RESOURCES</b>	AZ ST 28-2091; AZ ADC R20-6-801
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>If a vehicle that is subject to titling or registration pursuant to this chapter becomes a salvage vehicle or nonrepairable vehicle and is acquired by an insurance company as a result of a total loss insurance settlement, the insurance company or its authorized agent shall submit an application to the department within 30 days after the title is properly assigned by the owner to the insurance company, with all liens released, on a form prescribed by the department for a salvage certificate of title or nonrepairable vehicle certificate of title.</p> <p>Except for vehicles registered pursuant to sections 28-2482, 28-2483, or 28-2484, if the owner retains possession of a salvage vehicle or nonrepairable vehicle, the owner shall comply with this section before receiving a total loss settlement from the insurance company or otherwise disposing of the vehicle.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>Such cost may be determined by:</p> <ol style="list-style-type: none"> <li>i. The cost of a comparable automobile in the local market area when a comparable automobile is available in the local market area.</li> <li>ii. One of two or more quotations obtained by the insurer from two or more qualified dealers located within the local market area when a comparable automobile is not available in the local market area.</li> </ol>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	If an insurer prepares an estimate of the cost of automobile repairs, such estimate shall be in an amount for which it may be reasonably expected the damage can be satisfactorily repaired. The insurer shall give a copy of the estimate to the claimant and may furnish to the claimant the names of one or more conveniently located repair shops.
<b>SALES TAXES AND FEES</b>	The insurer pays all applicable taxes, license fees, and other fees incident to transfer of evidence of ownership of the automobile paid, at no cost other than any deductible provided in the policy.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule</u>: Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments</u>: Insurer determines if it is uneconomical to repair vehicle. If then is a salvage vehicle.</p>

## Arkansas

<b>RESOURCES</b>	AR ST s 27-14-2302; AR ADC 006.05.409; AR ADC 054.00.43-10; AR Bulletin 2-2002; A.C.A. § 27-14-2301 (6)(B)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>When an insurer acquires the ownership of a salvage vehicle for which a salvage vehicle title has not been issued, the insurer shall surrender the certificate of title for the salvage vehicle to the Office of Motor Vehicle within 30 days following the acquisition of the certificate of title to the salvage vehicle. If a motor vehicle becomes a salvage vehicle and an insurer indemnifies under the insurance policy, but the insurer does not take title to the salvage vehicle, the insurer shall notify the office that the motor vehicle is a salvage vehicle pursuant to the notification procedure required under this subsection.</p> <p>The office shall attach a note or stamp to any copy of a title issued by the office or to any reissued or changed title. The note or stamp shall state that the motor vehicle is a salvage vehicle and shall remain in place until the owner of the vehicle surrenders the certificate of title on the salvage vehicle and a salvage vehicle title or prior salvage vehicle title is issued by the office.</p> <p>If a person other than an insurer owns a salvage vehicle for which a salvage title has not been issued, the owner shall surrender the certificate of title for the salvage vehicle to the office within 30 days following the date that the motor vehicle became a salvage vehicle.</p> <p>If a person other than an insurer acquires ownership of a salvage vehicle after the time it becomes a salvage vehicle, but prior to the issuance of a salvage title, and a good faith estimate of the repair cost is over 70 percent of its average retail value at the time the vehicle is acquired, the owner shall surrender the certificate of title to the salvage vehicle to the office within 30 days following the date of acquisition of the certificate of title to the salvage vehicle. If the vehicle has no resale value except as a source for parts or scrap, the owner may request that the office issue the vehicle a "parts only" title and the vehicle shall be dismantled for parts or scrap and shall be titled as such in the state of Arkansas. This subdivision becomes effective on January 1, 2008.</p> <p>If an insurer has the responsibility under this subchapter to surrender the certificate of title on a salvage vehicle for which it has taken title or to notify the office that a motor vehicle is a salvage vehicle, prior salvage vehicle, or "parts only" vehicle, the insurer may delegate its responsibility to surrender the certificate of title or to notify the office to a servicing organization or to a buyer of the salvage vehicle from the insurer. The insurer shall remain responsible under Arkansas law if the servicing organization or buyer fails to properly surrender the title or notify the department.</p> <p>Any owner of a salvage vehicle, including insurers who acquire ownership of the vehicle through indemnification on an insurance policy, shall, within 30 days after the date of occurrence, surrender to the Commissioner the existing certificate of title, along with other specified documents. If a motor vehicle becomes a salvage vehicle and an insurer indemnifies under the insurance policy, but the insurer does not take title to the salvage vehicle, the insurer shall notify the Office that the motor vehicle is a salvage vehicle by submitting a completed Insurer Notification and Declaration of Damage form which is prescribed by the Commissioner and incorporated into this rule.</p> <p>The office may issue a "parts only" title to the owner of a salvage vehicle under the following conditions: (A) The owner of the vehicle decides that the vehicle has no resale value except as a source for parts or scrap; and (B) The owner surrenders the current certificate of title to the vehicle to the office. An owner under this subsection may be an insurer that owns the salvage vehicle. The vehicle shall be dismantled for parts or scrap and issued a "parts only" title.</p>

<b>VALUATION METHODS PERMITTED</b>	<p>Such cost may be determined by:</p> <p>(A) The cost of a comparable automobile in the local market area when a comparable automobile is available in the local market area; or</p> <p>(B) Use of one of two or more quotations obtained by the insurer from two or more qualified dealers or appraisal services located within the local market area when a comparable automobile is not available in the local market area.</p> <p>When a first party automobile total loss is settled on a basis which deviates from the methods described in subsections (a)(1) and (2) of this section, the deviation must be supported by documentation giving particulars of the automobile's condition. Any deductions from such cost, including deduction for salvage, must be measurable, discernible, itemized, and specified as to dollar amount and shall be appropriate in amount. The basis for such settlement shall be fully explained to the first party claimant.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	If an insurer prepares an estimate of the cost of automobile repairs, such estimate shall be in an amount for which it may be reasonably expected the damage can be satisfactorily repaired. The insurer shall give a copy of the estimate to the claimant and may furnish to the claimant the names of one or more conveniently located repair shops.
<b>SALES TAXES AND FEES</b>	According to the Arkansas Insurance Department, the insurer is responsible for payment of applicable taxes and license fees for first and third party claims whether or not such taxes and fees are actually incurred. The insurer must pay other fees associated with the transfer of ownership, but only those that are actually incurred by the owner.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 70%</p> <p><u>Comments:</u> Damage to vehicle greater than 70% of fair retail value prior to damage or vehicle is water damaged.</p>

## California

<b>RESOURCES</b>	CA Vehicle s 11515; 10 CA ADC s 2695.8; Martinez v. Enter. Rent-A-Car Co., 13 Cal. Rptr. 3d 857 (Cal. App. 2004); Cal. Veh. Code § 544
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Whenever an insurance company makes a total loss settlement on a total loss salvage vehicle, the insurance company, an occupational licensee of the department authorized by the insurance company, or a salvage pool authorized by the insurance company, shall, within 10 days from the settlement of the loss, forward the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department, the license plates, and a fee in the amount of \$15 to the department. An occupational licensee of the department may submit a certificate of license plate destruction in lieu of the actual license plate.</p> <p>If an insurance company, an occupational licensee of the department authorized by the insurance company, or a salvage pool authorized by the insurance company is unable to obtain the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department within 30 days following oral or written acceptance by the owner of an offer of an amount in settlement of a total loss, that insurance company, licensee, or salvage pool, on a form provided by the department and signed under penalty of perjury, may request the department to issue a salvage certificate for the vehicle. The request shall include and document that the requester has made at least two written attempts to obtain the certificate of ownership or other acceptable evidence of title, and shall include the license plates and fee.</p> <p>The department, upon receipt of the certificate of ownership, other evidence of title, or properly executed request, the license plates, and the fee, shall issue a salvage certificate for the vehicle.</p> <p>Whenever the owner of a total loss salvage vehicle retains possession of the vehicle, the insurance company shall notify the department of the retention on a form prescribed by the department. The insurance company shall also notify the insured or owner of the insured's or owner's responsibility to comply with this subdivision. The owner shall, within 10 days from the settlement of the loss, forward the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department, the license plates, and a fee in the amount of \$15 to the department. The department, upon receipt of the certificate of ownership or other evidence of title, the license plates, and the fee, shall issue a salvage certificate for the vehicle.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>The cost of a comparable automobile shall be determined as follows and, once determined, shall be fully itemized and explained in writing for the claimant at the time the settlement offer is made:</p> <p>(A) when comparable automobiles are available or were available in the local market area in the last 90 days, the average cost of two or more such comparable automobiles; or,</p> <p>(B) when comparable automobiles are not available or were not available in the local market area in the last 90 days, the average of two or more quotations from two or more licensed dealers in the local market area; or,</p> <p>(C) the cost of a comparable automobile as determined by a computerized automobile valuation service that produces statistically valid fair market values within the local market area; or</p> <p>(D) if it is not possible to determine the cost of a comparable automobile by using one of the methods described in subsections (b)(3)(A), (b)(3)(B) and (b)(3)(C) of this section, the</p>

	<p>cost of a comparable automobile shall otherwise be supported by documentation and fully explained to the claimant.</p> <p>Any adjustments to the cost of a comparable automobile shall be discernible, measurable, itemized, and specified as well as appropriate in dollar amount and so documented in the claims file. Deductions taken from the cost of a comparable automobile that cannot be supported shall not be used.</p>
<p><b>RIGHTS OF RECOURSE TO OWNER</b></p>	<p>In first party automobile total loss claims, every insurer shall provide notice to the insured at the time the settlement payment is sent or final settlement offer is made that if notified by the insured within thirty-five (35) calendar days after the insured receives the claim payment or final settlement offer that he or she cannot purchase a comparable automobile for the gross settlement amount, the insurer will reopen its claim file. If subsequently notified by the insured the insurer shall reopen its claim file and utilize the following procedures:</p> <p>(1) The insurer shall locate a comparable automobile for the gross settlement amount determined by the company at the time of settlement and shall provide the insured with the information required in (c)(4), below, or offer a replacement vehicle in accordance with section 2695.8(b)(4). Any such vehicle must be available in the local market area; or,</p> <p>(2) The insurer shall either pay the insured the difference between the amount of the gross settlement and the cost of the comparable automobile which the insured has located, or negotiate and purchase this vehicle for the insured; or,</p> <p>(3) The insurer shall invoke the appraisal provision of the insurance policy;</p> <p>(4) No insurer is required to take action under this subsection if its documentation to the insured at the time of final settlement offer included written notification of the identity of a specified comparable automobile which was available for purchase at the time of final settlement offer for the gross settlement amount determined by the insurer. The documentation shall include the telephone number (including area code) or street address of the seller of the comparable automobile and:</p> <p>(A) the vehicle identification number (VIN) or,</p> <p>(B) the stock or order number of the vehicle from a licensed dealer, or</p> <p>(C) the license plate number of such comparable vehicle.</p>
<p><b>DOCUMENTATION OF VALUE TO OWNER</b></p>	<p>If partial losses are settled on the basis of a written estimate prepared by or for the insurer, the insurer shall supply the claimant with a copy of the estimate upon which the settlement is based.</p>
<p><b>SALES TAXES AND FEES</b></p>	<p>This cash settlement amount shall include all applicable taxes and one-time fees incident to transfer of evidence of ownership of a comparable automobile. This amount shall also include the license fee and other annual fees to be computed based upon the remaining term of the loss vehicle's current registration. This procedure shall apply whether or not a replacement automobile is purchased. If the insured chooses to retain the loss vehicle or if the third party claimant retains the loss vehicle, the cash settlement amount shall include the sales tax associated with the cost of a comparable automobile, discounted by the amount of sales tax attributed to the salvage value of the loss vehicle. The cash settlement amount shall also include all fees incident to transfer of the claimant's vehicle to salvage status.</p>
<p><b>TOTAL LOSS THRESHOLD</b></p>	<p><u>Rule:</u> Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p>

Comments: A vehicle is a total loss where the cost of repair exceeds the vehicle value prior to the repair of the vehicle.

"Total Loss" means either of the following:

(a) A vehicle, other than a non-repairable vehicle, that has been damaged to the extent the insurance company considers it uneconomical to repair, and is not repaired;

or

(b) A vehicle determined to be uneconomical to repair, for which a total loss payment has been made by an insurer, whether or not the vehicle is subsequently repaired, if prior to or upon making the payment, the insurer obtains the agreement of the claimant to the amount of the total loss settlement, and informs the client that, pursuant to subdivision (a) or (b) of § 11515, the total loss settlement must be reported to the DMV, which will issue a salvage certificate for the vehicle.

California defines a salvaged vehicle as one that has been either totally destroyed or damaged beyond what the insurance company is willing to pay to fix it, so the owner never gets the vehicle repaired. Depending on its condition, one of several things may happen to the car.

The first of these is that the title is exchanged for a Salvage Certificate issued by the DMV.

## Colorado

<b>RESOURCES</b>	CO ST s 42-6-136; 1 CO ADC 204-10:31; CO ST s 10-4-639; C.R.S. § 42-6-102 (17)(C)
<b>SALVAGE TITLING REQUIREMENTS</b>	Upon the sale or transfer of any motor vehicle for which a current Colorado certificate of title has been issued or filed, which motor vehicle has become a salvage vehicle as defined in section 42- 6-102(13), the purchaser or transferee shall make application for a salvage certificate of title. The owner of any such motor vehicle may make application for a salvage certificate of title before the sale or transfer of such vehicle. Any owner making application for a salvage certificate of title shall provide the director evidence of ownership that satisfies the director of the right of the applicant to have a salvage certificate of title filed in favor of the owner.
<b>VALUATION METHODS PERMITTED</b>	<p>Claims files shall include the credible source used for valuation by vendor name and the methodology for determining the amount of the loss. Claims files shall document that the valuation considered unique characteristics of a total loss vehicle, such as classic status, unique finishes, mileage and/or, special accessories.</p> <p>An insurer shall establish a fair and consistent method for determining total loss of a motor vehicle. Such method shall include consideration of unique characteristics of the motor vehicle and a credible source of valuation. An insurer shall maintain a record of its methodology for determining total loss evaluation and provide such methodology to the commissioner upon request. An insurer may not use different credible sources of valuation only to determine the lowest amount payable for the total loss of the motor vehicle.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	An insurer shall pay title fees, sales tax, and any other transfer or registration fee associated with the total loss of a motor vehicle.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule</u>: 100%</p> <p><u>Comments</u>: Cost of repairing vehicle exceeds retail fair market value. Retail value is determined by sources accepted by the insurance industry, which is usually when cost of repair exceeds market value.</p>

## Connecticut

<b>RESOURCES</b>	CT ST s 14-16c; CT ADC s 14-16c-1; CT ST s 38a-353; CT ST s 38a-816; CT ADC s 12-407(2)(i)(M)-1
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Any insurance company which takes possession of a motor vehicle for which a certificate of title has been issued in this state, that has been declared a total loss and that is offered for sale in this state by such insurance company or its agent as a result of the settlement of a claim for damage or theft, shall stamp the word "SALVAGE" in one-inch-high letters not to exceed three inches in length on the vehicle's certificate of title and shall attach to such certificate of title a copy of the appraiser's damage report for such totaled motor vehicle, except that if the insurance company determines that such motor vehicle has 10 or more major component parts which are damaged beyond repair and must be replaced, the insurance company shall stamp the words "SALVAGE PARTS ONLY" in one-inch-high letters not to exceed three inches in length on the vehicle's certificate of title. A copy of such certificate shall be sent by the insurance company to the Department of Motor Vehicles. If the Commissioner of Motor Vehicles determines that salvage information required to be reported by an insurance company to the National Motor Vehicle Title Information System under 49 USC Sections 30501 to 30505, inclusive, and 28 CFR Sections 25.51 to 25.57, inclusive, is available to the department on a regular basis from the National Motor Vehicle Title Information System, the commissioner may discontinue the requirement that an insurance company submit a copy of such certificate to the department.</p> <p>Any insurance company required, pursuant to subsection (a) of section 14-16c of the Connecticut General Statutes, to return copies of certificates of titles for totaled motor vehicles to the Commissioner of Motor Vehicles shall on or before the fifteenth day of each month mail or deliver to the commissioner such copies of certificates of title received by such company during the preceding month.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>The average of the retail values given such vehicle by</p> <ol style="list-style-type: none"> <li>(1) the National Automobile Dealers Association used car guide or any other publicly available automobile industry source that has been approved for such use by the Insurance Commissioner, and</li> <li>(2) one other automobile industry source that has been approved for such use by the Insurance Commissioner. DCI Solution is an approved source.</li> </ol>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	<p>The insurer shall provide to the claimant, not later than the date the insurer pays the claimant the settlement amount for such vehicle,</p> <ol style="list-style-type: none"> <li>(1) a detailed copy of such insurer's calculation of such vehicle's constructive total loss value,</li> <li>(2) if applicable, a copy of any valuation report provided to the insurer by any automobile industry source that is not publicly available, and</li> <li>(3) a written notice disclosing that the claimant may dispute such settlement amount by contacting the Insurance Department. The written notice shall include the following statement, which shall appear in the final paragraph of the notice in not less than twelve-point type: "If you do not agree with this valuation, you may contact the Consumer Affairs Division within the Insurance Department". The notice shall include the address and toll-free telephone number for the division and the Insurance Department's Internet address.</li> </ol>

**SALES TAXES AND FEES**

It is an unfair practice to fail to pay, as part of any claim for a damaged motor vehicle under any automobile insurance policy where the vehicle has been declared to be a constructive total loss, an amount equal to the sum of

(A) the settlement amount on such vehicle plus, whenever the insurer takes title to such vehicle,

(B) an amount determined by multiplying such settlement amount by a percentage equivalent to the current sales tax rate established in section 12-408.

Charges for parts and motor vehicle repair services are taxable even when paid for by an insurance company, auto club, or other third party on behalf of the customer.

**TOTAL LOSS THRESHOLD**

Rule: Total Loss Formula (TLF): Cost of Repair + Salvage Value > Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.

Comments: Insurer must use NADA average and one additional approved source and constructive total loss is when cost to repair or salvage damage equals or exceeds the total value. Once declared "total loss" by insurer it is a "salvage vehicle."

## Delaware

<b>RESOURCES</b>	21 Del. C. § 2512
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Whenever any registered or unregistered motor vehicle, for which a title has been issued by the department, is transferred as salvage as a result of a total loss insurance settlement, the insurance company or its authorized agent shall send the certificate of title of the vehicle to the department within 30 days from the date of settlement. Upon receipt of the certificate of title and appropriate fee, the department shall issue a salvage certificate.</p> <p>If the owner of any registered or unregistered motor vehicle for which a title has been issued by the department receives a total loss insurance settlement for the vehicle and chooses to retain ownership of the vehicle as owner retained salvage, the insurance company shall either comply with the requirements in the paragraph above or require the owner of the vehicle to procure a salvage certificate from the department prior to paying the total loss insurance settlement.</p>
<b>VALUATION METHODS PERMITTED</b>	No provision
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	No provision
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule</u>: Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments</u>: Insurer determines if vehicle is a total loss. It is then transferred as "salvage vehicle."</p>

## District of Columbia

<b>RESOURCES</b>	DC Code s 50-1331.02; D.C. Code § 50-1331.01 (12)(A)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Any insurance company that, pursuant to a damage settlement, acquires ownership of a salvage vehicle or non-repairable vehicle shall apply to the department for a salvage title or non-repairable vehicle certificate, whichever is applicable, within 30 days of the date the title is delivered to the insurance company.</p> <p>An insurance company that makes a damage settlement for a salvage vehicle or non-repairable vehicle, but does not acquire ownership of the vehicle, shall, within 30 days of the settlement, notify:</p> <p>(A) The vehicle's owner or lessor of his obligation to apply to the department for a salvage title or non-repairable vehicle certificate, whichever is applicable; and</p> <p>(B) the department, in accordance with procedures established by the department.</p>
<b>VALUATION METHODS PERMITTED</b>	No provision
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	No provision
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 75%</p> <p><u>Comments:</u> Damage to vehicle exceeds 75% of retail value prior to the damage. No salvage law in D.C.</p>

## Florida

<b>RESOURCES</b>	FL ST s 319.30; FL ST s 626.9743; F.S.A. § 319.30(3)(a)(1)(a)(b)
<b>SALVAGE TITLING REQUIREMENTS</b>	An insurance company that pays money as compensation for total loss of a motor vehicle or mobile home shall obtain the certificate of title for the motor vehicle or mobile home and, within 72 hours after receiving such certificate of title, shall forward such title to the department for processing.
<b>VALUATION METHODS PERMITTED</b>	Such cost may be derived from: <ol style="list-style-type: none"> <li>1. When comparable motor vehicles are available in the local market area, the cost of two or more such comparable motor vehicles available within the preceding 90 days;</li> <li>2. The retail cost as determined from a generally recognized used motor vehicle industry source such as: <ol style="list-style-type: none"> <li>a) An electronic database if the pertinent portions of the valuation documents generated by the database are provided by the insurer to the first-party insured upon request; or</li> <li>b) guidebook that is generally available to the general public if the insurer identifies the guidebook used as the basis for the retail cost to the first-party insured upon request; or</li> </ol> </li> <li>3. The retail cost using two or more quotations obtained by the insurer from two or more licensed dealers in the local market area.</li> </ol>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	Every insurer shall, if partial losses are settled on the basis of a written estimate prepared by or for the insurer, supply the insured a copy of the estimate upon which the settlement is based.
<b>SALES TAXES AND FEES</b>	If sales tax will necessarily be incurred by a claimant upon replacement of a total loss or upon repair of a partial loss, the insurer may defer payment of the sales tax unless and until the obligation has actually been incurred.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> Total Loss in Florida involves when and under what circumstances a salvage title is required. "Salvage" means a motor vehicle or mobile home which is a total loss. A vehicle is a total loss when:</p> <p><i>Insured Vehicle:</i> When carrier pays the owner to replace the vehicle with one of like kind or when it makes payment upon theft of vehicle.</p> <p><i>Uninsured Vehicle:</i> When the cost, at the time of loss, of repairing or rebuilding the vehicle is 80% or more of the cost of replacing the damaged motor vehicle with one of like kind.</p> <p><u>Comments:</u> However, carrier can declare vehicle a total loss depending on whether they believe settling for total loss requires less money than cost of repair. It is a business decision. If insured and insurer agree to repair, rather than replace, vehicle is not total loss. However, if actual cost to repair exceeds 100% of replacement cost, vehicle must be branded "Total Loss Vehicle." Therefore, vehicle can be repaired up to 100% of ACV before branding of title is required by statute. The "80%" simply means that if the cost to repair a damaged vehicle is 80% of its value or more, then if the vehicle is declared a total loss by the insurance company, that the salvage title returned on the salvage will be a "Certificate of Destruction" in the insurer's name and not eligible to be rebuilt.</p> <p>Insurance company does not have to "total" a vehicle if the costs of the repairs exceed 80% of ACV. The statute doesn't require it, but most companies used it as a rule of thumb.</p>

DCI Solution

## Georgia

<b>RESOURCES</b>	GA ST 40-3-36; GA ST 33-6-5; GA ADC 120-2-52-.04; GA ADC 120-2-52-.06; Ga. Code Ann. § 40-3-2 (11)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Any insurance company that acquires a damaged motor vehicle by virtue of having paid a total loss claim shall mail or deliver the certificate of title to the commissioner for cancellation. In every case in which a total loss claim is paid and the insurance company does not acquire such damaged motor vehicle, the insurance company paying such total loss claim, the vehicle owner, and the lienholder or security interest holder, as applicable, shall take the following steps to secure a salvage certificate of title for such motor vehicle:</p> <p>(i) If the vehicle owner is in possession of the certificate of title, the owner shall deliver the certificate of title to the insurance company prior to any payment of the claim, and the insurance company shall mail or deliver the certificate of title, an application for a salvage certificate of title, and the form provided by the commissioner for issuance of a salvage certificate of title;</p> <p>(ii) If the certificate of title has been lost, destroyed, or misplaced, the vehicle owner shall, prior to payment of the claim on such vehicle, complete an application for a replacement title on the form provided by the commissioner and deliver such application and form to the insurance company and the insurance company shall mail or deliver such application and form to the commissioner for issuance of a replacement original title marked salvage;</p> <p>(iii) If the lienholder or security interest holder has possession of the certificate of title, the vehicle owner shall complete an application for a replacement title on a form provided by the commissioner and shall deliver the completed form to the insurance company prior to the payment of the claim; the insurance company shall thereafter mail or deliver the application to the commissioner with notice of the payment of the total loss claim and the name and address of the lienholder or security interest holder in possession of the title. The commissioner shall mail notice to the lienholder or security interest holder that a total loss claim has been paid on the vehicle and that the title to such vehicle has been cancelled, and the commissioner shall provide to the lienholder or security interest holder a salvage certificate of title for such vehicle, provided that the validity of the security interest shall not be affected by issuance of a salvage certificate of title. The lienholder or security interest holder shall, within 10 days after receipt of such notice of total loss claim and cancellation of the original certificate of title, mail or deliver the canceled original certificate of title to the commissioner; or</p> <p>(iv) For the sole purpose of payment of a total loss claim, for any vehicle 10 years of age or older for which neither the vehicle owner nor the lienholder or security interest holder, if any, possesses a certificate of title, the vehicle owner shall deliver the vehicle license plate and certificate of registration for such vehicle to the insurance company prior to payment of any claim and the insurance company shall mail or deliver the license plate and certificate of registration to the commissioner with a completed form provided by the commissioner; provided, however, that the vehicle owner shall not operate such vehicle and the owner shall obtain a certificate of title for such vehicle as provided by law, which certificate of title shall then be subject to cancellation as provided in this paragraph.</p> <p>Each insurer that acquires a salvage motor vehicle, as defined in Code Section 40-3-2, shall, within 30 days of acquisition, apply for a salvage certificate of title, and no insurer shall sell, convey, or transfer any such salvage motor vehicle without first applying for and obtaining a salvage certificate of title.</p>
<b>VALUATION METHODS PERMITTED</b>	Such cost shall be based on one or more of the following methods:

	<p>1. The cost of two or more comparable automobiles in the local market area defined in this subsection as 50 miles from the county seat where the insured vehicle was principally garaged, when comparable automobiles are available or were available within the last 30 days to consumers in the local market area. These sources may include dealer's sales price, any established printed automobile sales publication or newspaper.</p> <p>2. The cost of two or more comparable automobiles in areas proximate to the local market area defined in this subsection as 100 miles from the county seat where the insured vehicle was principally garaged, including the closest major metropolitan area within or without the state, that are available or were available within the last 30 days to consumers when comparable automobiles are not available in subparagraph (a) 1 above. These sources shall include the same as in subparagraph (a) 1 above.</p> <p>3. One of two or more quotations obtained by the insurer from two or more licensed dealers located within the local market area defined in this subparagraph as 50 miles from the county seat where the insured vehicle was principally garaged, when the cost of comparable automobiles are not available in subparagraphs (a) 1 and 2 above.</p> <p>4. Any source for determining statistically valid fair market values that meet all of the following criteria which may be in electronic or printed format:</p> <p>(i) The source shall give primary consideration to the values of vehicles in the local market area, or may consider data on vehicles outside the area when comparable vehicles have not been available for data collection in the local market area.</p> <p>(ii) The source's database shall produce values for at least 85 percent of all makes and models for at least the last 15 model years, taking into account the values of all major options for such vehicles.</p> <p>(iii) The source shall produce fair market values based on current data available from the area surrounding the location where the insured vehicle was principally garaged or a necessary expansion of parameters (such as time and area) to assure statistical validity.</p>
<p><b>RIGHTS OF RECOURSE TO OWNER</b></p>	<p>If the insured rejects a replacement vehicle, the option to replace the insured vehicle may not be exercised. The rejection shall be documented in the claim file. The insurer need only pay the amount it would have otherwise paid if the insured had accepted the replacement vehicle, including the applicable taxes, license fees, or other fees to transfer ownership.</p> <p>If the insured selects another vehicle substantially similar in value, the insurer may either replace the insured vehicle with this substitute, or only pay the amount it would have otherwise paid if the insured had accepted the replacement vehicle, including the applicable taxes, license fees or other fees to transfer ownership.</p>
<p><b>DOCUMENTATION OF VALUE TO OWNER</b></p>	<p>If losses are settled on the basis of a written estimate prepared by or for the insurer, the insurer shall supply, upon request of the insured, a copy of the estimate upon which the settlement is based.</p>
<p><b>SALES TAXES AND FEES</b></p>	<p>The insurer is responsible for all applicable taxes, license fees, and other fees necessary to transfer ownership.</p>
<p><b>TOTAL LOSS THRESHOLD</b></p>	<p><u>Rule:</u> Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments:</u> Vehicle is damaged to the extent that its restoration to an operable condition requires replacing two or more major component parts.</p>

## Hawaii

<b>RESOURCES</b>	HI ST s 286-48; HI ST s 431:10C-311; HI ST s 431:10C-312
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Whenever a motor vehicle subject to registration under this part is sold as salvage or conveyed to an insurance company, in the ordinary course of business or as the result of a total loss insurance settlement where the insurance company receives the certificates of registration and ownership, the purchaser or, if an insurance company, its authorized agent, shall within 10 days from the purchase, or the settlement of the insurance loss, forward the motor vehicle's endorsed certificate of ownership or other evidence of title, certificate of registration, license plates, and an application for a salvage certificate as provided for in section 286-44.5, to the Director of Finance. If the certificate of registration or one or both license plates are lost, an affidavit, duly notarized and signed by the party responsible for the compliance of this section stating that the party has no knowledge of the location of the certificate of registration or the license plates, shall be filed with the Director of Finance of the county having jurisdiction over the vehicle. In any event the certificate of ownership or other evidence of title shall be forwarded to the Director of Finance.</p> <p>Upon receipt of the certificate of ownership, certificate of registration, license plates, and application for a salvage certificate, the Director of Finance shall issue a salvage certificate in the name of the purchaser or insurance company.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>When an insurer elects under section 431:10C-309 to offer the insured a cash settlement for a total loss motor vehicle claim, the following shall apply:</p> <p>(1) The cash settlement shall be based upon the retail value of the motor vehicle as determined from a source or sources which are reflective of the market value of the total loss vehicle.</p> <p>(2) The use of dealer quotations (when the vehicle is available at the quoting dealer's lot) and newspaper advertisements may be used in lieu of the source generally used by the insurer, if the claim file reflects that the vehicle was not quoted in the source generally used by the insurer or the source was not reflective of the market value. Dealer quotations and newspaper advertisements shall not be considered sole sources reflective of market values. When dealer quotations are used, the vehicle identification number shall be contained in the insured's claim file;</p> <p>(3) Estimates from at least three licensed dealers may be used when vehicles are not quoted in the source usually used by the insurer and are not available for replacement. Dealer estimates shall take into consideration the condition of the insured vehicle prior to the loss.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	<p>If within 30 days of the receipt of the settlement by the insured</p> <p>(i) the insured cannot purchase a comparable vehicle of like kind and quality for the market value determined by the insurer before applicable deductions, and</p> <p>(ii) the insured has located, but not purchased, a comparable vehicle of like kind and quality in excess of such market value, the following procedure shall apply:</p> <p>(1) The insurer shall locate a comparable vehicle of like kind and quality for the insured for the market value determined by the insurer at the time of settlement. Any comparable vehicle shall be available through licensed dealers;</p> <p>(2) The insurer shall either pay the insured the difference between the market value before</p>

applicable deductions and the cost of the comparable vehicle of like kind and quality which the insured has located, or negotiate and effect the purchase of this vehicle for the insured;

(3) The insurer may conclude the loss settlement as provided for under the appraisal section of the insurance contract in force at the time of loss. This appraisal shall be considered as binding against both parties, but shall not preclude or waive any other rights either party has under the insurance contract or at common law; or

(4) The insurer shall provide written notice to the insured at the time of settlement that if within thirty days of the receipt of the settlement by the insured, the insured cannot purchase a comparable vehicle of like kind and quality for the market value determined by the insurer before applicable deductions and the insured has located, but not purchased a comparable vehicle of like kind and quality in excess of such market value, the insurer shall reopen its claim file.

<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	When a replacement vehicle is provided under section 431:10C-310 or section 431:10C-311, the insurer shall pay the applicable general excise tax and ownership fee.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> Total Loss Formula (TLF): <math>\text{Cost of Repair} + \text{Salvage Value} &gt; \text{Actual Cash Value}</math>. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments:</u> Insurer determines if a vehicle is repairable or whether it is a total loss, and must have material damage to vehicle's frame, unitized structure, or suspension system, and cost of repairing damage exceeds market value.</p>

## Idaho

<b>RESOURCES</b>	ID ST 49-524; Idaho Code § 49-123(2)(o)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Every insurer making payment for a vehicle that has been determined to be a salvage vehicle shall, within 30 days from receipt of the properly released certificate of origin or certificate of title, issue a salvage certificate to the purchaser and surrender to the department the ownership documents, a copy of the salvage certificate, the salvage certificate fee, and other documents as required by the department for processing.</p> <p>If an insurer has made payment for a salvage vehicle, or a salvage pool, is unable to obtain a properly released certificate of origin or certificate of title for the salvage vehicle within 30 days after the acceptance by the owner of an amount in settlement of a total loss, then the salvage pool may issue a salvage certificate with agreement from the insurer to the purchaser without having first obtained the properly released certificate of origin or certificate of title. Within 10 days of the issuance of a salvage certificate to the purchaser, the insurer or the salvage pool shall submit to the department the following: a sworn statement that it made at least two written attempts to obtain from the owner the properly released manufacturer's certificate of origin, manufacturer's statement of origin or certificate of title, by sending notice to the owner at the owner's address of record with the department; a copy of each such written attempt; proper evidence of the satisfaction or discharge of any lien or encumbrance properly noted upon the certificate of title or upon the electronic records of the department; a copy of the salvage certificate; the salvage certificate fee; indemnifying affidavit; and other documents as required by the department for processing.</p> <p>If an insurer has allowed the owner to retain ownership of the salvage vehicle, the owner must surrender the certificate of title for such vehicle to the department or the insurance company not later than 15 days from the date that the claim was satisfied. The insurer must notify the department of a total loss payoff. The insurer or department shall issue a salvage certificate to the owner prior to any sale or disposition of the salvage vehicle. If an insurer acquires the certificate of title of a vehicle in a settlement of a theft claim, the insurer shall immediately, upon receipt of the properly released certificate of origin or certificate of title, issue a salvage certificate in the name of the insurer and surrender to the department the ownership documents, a copy of the salvage certificate, the salvage certificate fee, and other documents as required by the department for processing.</p> <p>If an insurer has acquired a vehicle in a settlement of a theft claim, has made application to and has been issued a new salvage certificate in the name of the insurer, and the vehicle is subsequently recovered and is not a salvage vehicle, the insurer may complete an affidavit indemnifying the department stating the facts of acquisition and disposition of the vehicle in a form prescribed by the department and deliver the salvage certificate of ownership, affidavit, and any other documents required by the department to the transferee at the time of delivery of the vehicle.</p>
<b>VALUATION METHODS PERMITTED</b>	No provision
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	No provision

**TOTAL LOSS  
THRESHOLD**

Rule: Total Loss Formula (TLF): Cost of Repair + Salvage Value > Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.

Comments: Cost of parts and labor minus the salvage value makes it uneconomical to repair or rebuild.

DCI Solution

## Illinois

<b>RESOURCES</b>	625 ILCS 5/3-117.1; 50 IL ADC 919.80
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>An application for a salvage certificate shall be submitted to the Secretary of State in any of the following situations:</p> <p>When an insurance company makes a payment of damages on a total loss claim for a vehicle, the insurance company shall be deemed to be the owner of such vehicle and the vehicle shall be considered to be salvage except that ownership of</p> <p>(i) a vehicle that has incurred only hail damage that does not affect the operational safety of the vehicle or</p> <p>(ii) any vehicle nine model years of age or older may, by agreement between the registered owner and the insurance company, be retained by the registered owner of such vehicle.</p> <p>The insurance company shall promptly deliver or mail within 20 days the certificate of title along with proper application and fee to the Secretary of State, and a salvage certificate shall be issued in the name of the insurance company.</p> <p>Notwithstanding the foregoing, an insurer making payment of damages on a total loss claim for the theft of a vehicle shall not be required to apply for a salvage certificate unless the vehicle is recovered and has incurred damage that initially would have caused the vehicle to be declared a total loss by the insurer.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>The cash settlement may be based upon the retail value of the vehicle as determined from one of the following sources:</p> <p>A) A source or sources which are published on a regular basis, at least once every 2 months, and contain the average retail, wholesale and finance value for all makes and models for at least each of the last 5 model years, as well as a listing and price for all major options; or</p> <p>B) An electronically computerized source or sources:</p> <p>i) That compute statistically valid retail values, including all major options and equipment, and applicable allowances for mileage and condition, for at least 85 percent of all makes and models for at least each of the last 15 model years;</p> <p>ii) By which the retail value so generated shall be based on data from the area immediately surrounding the location where the insured vehicle was principally garaged and such value shall be based upon data compiled on at least 1.5 million passenger vehicles;</p> <p>iii) That compile, maintain and provide, upon request, a record of valuations and monthly summaries of the average retail value, option value, and mileage for each general metropolitan area for the preceding 24 month period.</p> <p>C) The settlement may be based upon an electronically computerized service. Such settlement must include at least 2 currently available vehicles from licensed dealers in Illinois or 2 vehicles that have been sold by licensed dealers in Illinois, one of which was sold within the past 30 days and one of which was sold within the past 90 days. The location of the licensed dealer for each available or recently sold vehicle shall be within 50 miles of the general metropolitan area where the data is gathered. The name and location of the licensed dealers, as well as the vehicle identification numbers (VINs), shall be maintained in the claim file. If the electronically computerized service does not include a sufficient number of vehicles to satisfy the requirements of this subsection (c)(2)(C), the service may</p>

	<p>provide an average from at least 2 published sources that comply with subsection (c)(2)(A).</p> <p>D) If the insured vehicle is not quoted in the source or sources used by the company, the company shall then base the settlement upon at least two written dealers' quotations. The company shall furnish the names and locations of the dealers used to determine the market value to the insured, and a copy of the dealers' quotations.</p>
<p><b>RIGHTS OF RECOURSE TO OWNER</b></p>	<p>If within 30 days after the receipt of the claim draft, the insured cannot purchase a comparable vehicle in excess of such market value, the company will reopen its claim file and the following procedure(s) shall apply:</p> <p>i) The company may locate a comparable vehicle by the same manufacturer, same year, similar body style and similar options and price range for the insured for the market value determined by the company at the time of settlement. Any such vehicle must be available through licensed dealers; or</p> <p>ii) The company shall either pay the insured the difference between the market value before applicable deductions and the cost of the comparable vehicle of like kind and quality which the insured has located, or negotiate and effect the purchase of this vehicle for the insured; or</p> <p>iii) The company may elect to offer a replacement in accordance with the provisions set forth in subsection (c)(1); or</p> <p>iv) The company may conclude the loss settlement as provided for under the appraisal section of the insurance contract in force at the time of loss. This appraisal shall be considered as binding against both parties, but shall not preclude or waive any other rights either party has under the insurance contract or at common law.</p> <p>v) The company is not required to take action under this subsection (c)(2)(F) if its documentation to the insured at the time of settlement included written notification of the availability and location of a specified and comparable vehicle of the same manufacturer, same year, similar body style and similar options in as good or better condition as the total loss vehicle which could have been purchased for the market value determined by the company before applicable deductions. The documentation shall include the vehicle identification number.</p>
<p><b>DOCUMENTATION OF VALUE TO OWNER</b></p>	<p>If partial losses are settled on the basis of a written estimate prepared by or for the company, the company shall supply upon request of the insured, a copy of the estimate upon which the settlement is based. 50 IL ADC 919.80</p>
<p><b>SALES TAXES AND FEES</b></p>	<p>Insurer is responsible for applicable taxes, license, and transfer fees.</p>
<p><b>TOTAL LOSS THRESHOLD</b></p>	<p><u>Rule</u>: Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments</u>: Insurer determines when vehicle is salvage/total loss. Must not be from hail damage or a vehicle that is nine model years or older. Vehicle is "salvage" when insurer makes total loss payment.</p>

## Indiana

<b>RESOURCES</b>	IN ST 9-22-3-3; IN ST 9-22-3-11; IN ST 9-22-3-2; IN Bulletin 82
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Sec. 3. (a) A certificate of salvage title is required for a motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets any of the following criteria:</p> <p>(1) An insurance company has determined that it is economically impractical to repair the wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle and has made an agreed settlement with the insured or claimant. (2) If the owner of the vehicle is a business that insures its own vehicles, the cost of repairing the wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle exceeds 70 percent of the fair market value immediately before the motor vehicle, motorcycle, semitrailer, or recreational vehicle was wrecked or damaged.</p> <p>(3) The motor vehicle is a flood damaged vehicle.</p> <p>Except as described in section 11 (c) of this chapter, an insurance company shall apply for a salvage title for a vehicle that the insurance company has determined is economically impractical to repair.</p> <p>Sec. 11. (a) This section applies to the following persons:</p> <p>(1) An insurance company that declares a wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one of the criteria set forth in section 3 of this chapter and the ownership of which is not evidenced by a certificate of salvage title.</p> <p>(2) An insurance company that has made and paid an agreed settlement for the loss of a stolen motor vehicle, motorcycle, semitrailer, or recreational vehicle that:</p> <p>(A) has been recovered by the titled owner; and</p> <p>(B) meets at least one of the criteria set forth in section 3 of this chapter.</p> <p>(b) A person who owns or holds a lien upon a vehicle described in subsection (a) shall assign the certificate of title to the insurance company described in subsection (a). The insurance company shall apply to the bureau within 31 days after receipt of the certificate of title for a certificate of salvage title for each salvage or stolen vehicle subject to this chapter. The insurance company shall surrender the certificate of title to the bureau and pay the fee prescribed under IC 9-29-7 for a certificate of salvage title.</p> <p>(c) When the owner of a vehicle described in subsection (a) retains possession of the vehicle:</p> <p>(1) the person who possesses the certificate of title shall surrender the certificate of title to the insurance company described in subdivision (2);</p> <p>(2) the insurance company that completes an agreed settlement for the vehicle shall</p> <p>(A) obtain the certificate of title; and</p> <p>(B) submit to the bureau:</p> <p>(i) the certificate of title;</p> <p>(ii) the appropriate fee; and</p> <p>(iii) a request for a certificate of salvage title on a form prescribed by the bureau; and</p> <p>(3) after the bureau has received the items set forth in subdivision (2) (B), the bureau shall issue a certificate of salvage title to the owner.</p>

<b>VALUATION METHODS PERMITTED</b>	As used in this chapter, "fair market value" means:  (1) the average trade-in value found in the National Automobile Dealers Association (NADA) Official Used Car Guide, vehicle valuations determined by CCC Information Services, Inc. (CCC), or valuations determined by such other authorities as are approved by the bureau; (Note: Autosource is also an approved authority) or  (2) the fair market value determined by the bureau under IC 9-22-3-3.
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	The insurer is responsible for payment of sales tax, which must be made when the claimant is paid for the loss.
<b>TOTAL LOSS THRESHOLD</b>	<u>Rule:</u> 70%  <u>Comments:</u> Cost to repair vehicle is greater than 70% of fair market value prior to damage or the insurer determines it is impractical to repair and makes total loss payment.

## Iowa

<b>RESOURCES</b>	IA ADC 761-405.6(321); IA ADC 191-15.43(507B); I.C.A. § 321.52(4)(d)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>An insurer, upon acquisition of a motor vehicle as a result of a settlement with the motor vehicle owner arising out of damage to or unrecovered theft of the motor vehicle, shall obtain a salvage title for the motor vehicle.</p> <p>Application for a salvage title shall be made within 30 days after the date of assignment to the transferee.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>Such cost may be derived from:</p> <ol style="list-style-type: none"> <li>1. The cost of two or more comparable automobiles in the local market area when comparable automobiles are available or were available within the last 90 days to consumers in the local market area; or</li> <li>2. The cost of two or more comparable automobiles in areas proximate to the local market area, including the closest major metropolitan areas within or without the state, that are available or were available within the last 90 days to consumers when comparable automobiles are not available in the local market area; or</li> <li>3. One of two or more quotations obtained by the insurer from two or more licensed dealers located within the local market area when the cost of comparable automobiles is not available; or</li> <li>4. Any source for determining statistically valid fair market values that meet all of the following criteria:             <ol style="list-style-type: none"> <li>a) The source shall give primary consideration to the values of vehicles in the local market area and may consider data on vehicles outside the area.</li> <li>b) The source's database shall produce values for at least 85 percent of all makes and models for the last 15 model years taking into account the values of all major options for such vehicles.</li> <li>c) The source shall produce fair market values based on current data available from the area surrounding the location where the insured vehicle was principally garaged or a necessary expansion of parameters (such as time and area) to ensure statistical validity.</li> </ol> </li> </ol>
<b>RIGHTS OF RECOURSE TO OWNER</b>	<p>If the insurer is notified within 35 days of the receipt of the claim draft that the insured cannot purchase a comparable vehicle for such market value, the insured shall have a right of recourse.</p> <p>The insurer shall reopen its claim file and the following procedure(s) shall apply:</p> <ol style="list-style-type: none"> <li>1. The insurer may locate a comparable vehicle by the same manufacturer, same or newer year, similar body style and similar options and price range for the insured for the market value determined by the insurer at the time of settlement. Any such vehicle must be available through a licensed dealer; or</li> <li>2. The insurer shall either pay the insured the difference between the market value before applicable deductions and the cost of the comparable vehicle of like kind and quality which the insured has located, or negotiate and effect the purchase of this vehicle for the insured; or</li> <li>3. The insurer may elect to offer a replacement in accordance with the provisions set forth in subrule 15.43(1); or</li> <li>4. The insurer may conclude the loss settlement as provided for under the appraisal section of the insurance contract in force at the time of loss. This appraisal shall be considered as</li> </ol>

binding against both parties, but shall not preclude or waive any other rights either party has under the insurance contract or a common law.

The insurer is not required to take action under this subrule if its documentation to the insured at the time of settlement included written notification of the availability and location of a specified and comparable vehicle of the same manufacturer, same or newer year, similar body style and similar options in as good or better condition as the total-loss vehicle which could have been purchased for the market value determined by the insurer before applicable deductions. The documentation shall include the vehicle identification number.

<b>DOCUMENTATION OF VALUE TO OWNER</b>	If partial losses are settled on the basis of a written estimate prepared by or for the insurer, the insurer shall supply the insured a copy of the estimate upon which the settlement is based.
<b>SALES TAXES AND FEES</b>	All applicable taxes, license fees, and other fees incident to the transfer of evidence of ownership of the automobile shall be paid by the insurer, at no cost to the insured, other than any deductible provided in the policy.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 50%</p> <p><u>Comments:</u> Damage disclosure requirements kick in at 50%. If cost to repair vehicle is greater than 50% of ACV then the vehicle must have a damage disclosure on the title and it becomes "wrecked or salvage vehicle."</p>

## Kansas

<b>RESOURCES</b>	KS ST s 8-198; KS ADC 40-1-34; K.S.A. § 8-197(b)(2)(B)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Every insurance company, which pursuant to a damage settlement, acquires ownership of a vehicle that has incurred damage requiring the vehicle to be designated a salvage vehicle, shall apply for a salvage title within 60 days after the title is assigned and delivered by the owner to the insurance company, with all liens released.</p> <p>Every insurance company that makes a damage settlement for a vehicle that has incurred damage requiring such vehicle to be designated a salvage vehicle, but does not acquire ownership of the vehicle, shall notify the vehicle owner of the owner's obligation to apply for a salvage title for the motor vehicle, and shall notify the division of this fact. The vehicle owner shall apply for a salvage title within 60 days after being notified by the insurance company.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>Such cost shall be determined by any source or method for determining statistically valid fair market value that meets both of the following criteria:</p> <p>(A) The source or method's database, including nationally recognized automobile evaluation publications, shall provide values for at least 85 percent of all makes and models of private passenger vehicles for the last 15 model years taking into account the values for all major options for such vehicles; and</p> <p>(B) the source, method, or publication shall provide fair market values for a comparable automobile based on current data available for the local market area as defined in subsection (j)(2).</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	<p>A claimant has the right of recourse if the claimant notifies the insurer, within 30 days after the receipt of the claim draft, that claimant is unable to purchase a comparable automobile for the amount of the claim draft. Upon receipt of this notice, the insurer shall reopen its claim file within five business days, and one of the following actions shall apply:</p> <p>(1) the insurer shall either pay the claimant the difference between the market value as determined by the insure and the cost of the comparable vehicle of like kind and quality which the claimant has located, or negotiate and effect the purchase of this vehicle for the claimant; or</p> <p>(2) the insurer may elect to offer a replacement in accordance with provisions of subsection 9(a)(1).</p>
<b>DOCUMENTATION OF VALUE TO OWNER</b>	If partial losses are settled on the basis of a written estimate prepared by or for the insurer, the insurer shall supply the insured a copy of the estimate upon which the settlement is based.
<b>SALES TAXES AND FEES</b>	The insurer is responsible for all applicable taxes, license fees, and other fees incident to transfer of evidence of ownership of a comparable automobile.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule</u>: 75%</p> <p><u>Comments</u>: Cost to repair vehicle is 75% more than the fair market value at the time immediately before it was wrecked.</p>

## Kentucky

<b>RESOURCES</b>	KY ST s 186A.520; KY ST s 186A.530; 806 KY ADC 12:095
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>The owner or an authorized agent of a motor vehicle that meets the definition of a salvage vehicle shall, within 15 days from the receipt of all necessary paperwork required by this chapter, submit an application to the county clerk, on a form prescribed by the Department of Vehicle Regulation, for a salvage title, accompanied by a properly endorsed certificate of title and any lien satisfactions, if any appear, as may be required.</p> <p>If ownership of a motor vehicle has been transferred to an insurance company through payment of damages, the insurance company making the payment of damages shall be deemed the owner of the vehicle.</p> <p>When an insurance company makes a claim settlement on a vehicle that has been stolen and recovered, if the vehicle meets the definition of a salvage vehicle as set forth in KY ST 186A.520, the company shall apply for a salvage certificate of title. Upon receipt of this information, the cabinet shall issue the company a certificate of title to replace a salvage certificate of title. The cabinet shall promulgate administrative regulations pursuant to Chapter 13A regarding the forms and any additional information that insurance companies shall be required to obtain and submit when seeking a certificate of title to replace a salvage certificate of title.</p> <p>In claim settlements that do not involve transfer of the vehicle to the insurance company, an insurer shall not render payment on a damage claim for a vehicle whose damage meets or exceeds 75 percent of the value of the vehicle, until the insurer has received proof that the owner has surrendered the title or has applied for a salvage certificate of title. The owner shall apply for a salvage certificate of title within three working days of the agreed settlement. This subsection shall not apply to hail-damaged vehicles under KY ST 186A.555.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>The actual cost shall be determined by any one of the following:</p> <ol style="list-style-type: none"> <li>1. The cost of a comparable motor vehicle in the local market area if a comparable motor vehicle is available in the local market area;</li> <li>2. If a comparable motor vehicle is not available in the local market area, one (1) of two (2) or more quotations obtained by the insurer from two (2) or more qualified and licensed dealers which engage in the buying and selling of comparable motor vehicles in the ordinary course of their business located within the local market area; or</li> <li>3. Any source for determining statistically valid fair market values including nationally-recognized automobile evaluation publications that meet all of the following criteria:             <ol style="list-style-type: none"> <li>a) The source shall give consideration to the values of vehicles in the local market area and may consider data on vehicles outside the area;</li> <li>b) The source's data base shall produce values for at least 85 percent of all makes and models for the last eight model years taking into account the values of all major options for these vehicles;</li> <li>c) The source shall produce fair market values based on current data available from the local market area where the insured vehicle was principally garaged or a necessary expansion of parameters such as travel time and area to assure statistical validity;</li> <li>d) Actual cash value as determined by the use of the source's database shall be adjusted to reflect any value of enhancements to the motor vehicle not accounted for by the database;</li> </ol> </li> </ol>

	<p>e) If the vehicle's condition does not meet the criteria for value used in source's database, the actual cash value amount may be adjusted; and</p> <p>f) Absent an appraisal provision in the insurance contract, if the insured demonstrates, by presenting two independent appraisals, based on measurable and discernible factors, that the vehicle would have a higher cash value in the local market area than the value reflected in the source's database, the local market value shall be considered when determining the actual cash value.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	<p>If the insurer is notified within 35 days of the receipt of the claim draft that the insured cannot purchase a comparable motor vehicle for market value as defined in paragraph (b)3 of this subsection, the insurer shall reopen its claim file and comply with the following procedures:</p> <ol style="list-style-type: none"> <li>1. The insurer may locate a comparable motor vehicle by the same manufacturer, same year, similar body style, and similar options and price range for the insured for the market value determined by the insurer at the time of settlement. This vehicle shall be available through licensed motor vehicle dealers;</li> <li>2. The insurer shall either pay the insured the difference between the market value before applicable deductions and the cost of the comparable motor vehicle of like kind and quality which the insured has located, or negotiate and effect the purchase of this motor vehicle for the insured; or</li> <li>3. The insurer may conclude the loss settlement as prepared for under the appraisal provision of the insurance contract in force at the time of loss. This appraisal shall be considered as binding against both parties, but shall not preclude or waive any other rights either party has under the insurance contract or law.</li> </ol>
<b>DOCUMENTATION OF VALUE TO OWNER</b>	<p>If losses involving motor vehicle repairs are settled on the basis of a written estimate prepared by or for the insurer, the insurer shall supply the insured a copy of the estimate upon which the settlement is based.</p>
<b>SALES TAXES AND FEES</b>	<p>The insurer is responsible for all applicable taxes, license fees (if these fees cannot be refunded by the Transportation Cabinet), and other fees incident to transfer of evidence of ownership of the motor vehicle paid, at no cost other than any deductible provided in the policy.</p>
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 75%</p> <p><u>Comments:</u> Cost of parts and labor to rebuild vehicle to pre-accident condition exceeds 75% as set forth in NADA price guide.</p>

## Louisiana

<b>RESOURCES</b>	LA R.S. 32:707; 55 LA ADC Pt III, s 1335; La. R.S. § 32:702(13)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>When, as the result of an insurance settlement, a motor vehicle is declared to be a total loss, as defined in R.S. 32:702(11), the insurance company, its authorized agent, or the vehicle owner shall, within 30 days from the settlement of the property damages claim, send the certificate of title, properly endorsed, to the Office of Motor Vehicles along with an application for a salvage title in the name of the insurance company, or its authorized agent, or the vehicle owner.</p> <p>If an insurance company or its authorized agent is unable to obtain the certificate of title from the owner(s) or lienholder within 30 days from the settlement of the property damages claim, the insurance company or its authorized agent may submit an application for a salvage title and signed under penalty of perjury, which application shall be accompanied by all of the following:</p> <ul style="list-style-type: none"> <li>(i) Evidence acceptable to the Office of Motor Vehicles that the insurance company has made at least two written attempts to the titled owner(s) or lienholder of the motor vehicle by certified mail, return receipt requested, or by use of a delivery service with a tracking system, to obtain the endorsed certificate of title.</li> <li>(ii) Evidence acceptable to the Office of Motor Vehicles that the insurance company has made payment of a claim involving the motor vehicle.</li> <li>(iii) The fee applicable to the issuance of a salvage title.</li> <li>(iv) A release of lien executed by each current holder of a security interest in the motor vehicle.</li> </ul> <p>The insurance company or agent shall notify the Office of Motor Vehicles within 30 days of settlement of the property damage claim and the owner retained salvage value, when the owner of the vehicle is allowed to retain the salvage after the vehicle has been declared a total loss.</p> <p>When an insurance company as a result of having paid a total loss claim acquires a certificate of title to a vehicle and obtains possession or control of the vehicle for any cause other than theft, such company or its authorized representative must send the title and license plate to the Office of Motor Vehicles along with a copy of certificate of salvage issued to buyer. If an insurance company has acquired a certificate of title to a vehicle and obtains possession of the vehicle in settlement of a theft total loss claim, upon recovery of the vehicle it is determined that the vehicle has been damaged to an extent that it would be considered a total loss, such insurance company or its authorized representative must send the title and license plate to the Office of Motor Vehicles along with a copy of certificate of salvage issued in the name of the buyer of the vehicle.</p>
<b>VALUATION METHODS PERMITTED</b>	The automobile insurance company is obligated to determine the actual value of the particular car involved in the loss. Where a dispute arises over the value of the automobile, the company must use all available sources of information over and above the published values to attempt to determine the actual market value. LA Directive No. 18 (January 10, 1974)
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision

**SALES TAXES AND FEES**

No provision

**TOTAL LOSS THRESHOLD**

Rule: 75%

Comments: Damage equivalent to 75% or more of the market value as determined by NADA.

DCI Solution

## Maine

<b>RESOURCES</b>	ME ST T. 29-A s 654; ME ST T. 24-A s 2907; ME Bulletin No. 194; 29-A M.R.S. § 602(19)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>If a vehicle is declared a total loss by an owner or insurer, the owner or insurer shall file an application for a certificate of salvage. The application must be on a form prescribed by the Secretary of State and, in addition to the requirements set forth in subsection 1, must include:</p> <p>A. A certificate of title or a certificate of origin; and</p> <p>B. Any other information or documents the Secretary of State requires to administer the provisions of this section. The Secretary of State shall act on an application for a certificate of salvage within 20 days of receipt of an application.</p>
<b>VALUATION METHODS PERMITTED</b>	No provision
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	Where a covered total loss has occurred and the insurer elects to make a cash settlement on the loss, the cash settlement must include sales tax.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> Total Loss Formula (TLF): <math>\text{Cost of Repair} + \text{Salvage Value} &gt; \text{Actual Cash Value}</math>. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments:</u> Vehicle is "salvage" when insurer declares it a total loss or salvage title is issued. Owner transfers vehicle to insurer due to damage or owner determines it has no marketable value.</p>

## Maryland

<b>RESOURCES</b>	MD TRANS s 13-506; MD TRANS s 13-506.1; MD ADC 31.15.12.04; MD ADC 31.15.12.06; MD ADC 31.15.12.05; Md. Code, Transportation § 11-152 (a)(1)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>The Administration shall issue a salvage certificate to an insurance company that:</p> <ul style="list-style-type: none"> <li>(i) Is licensed to insure automobiles in this state;</li> <li>(ii) Acquires a vehicle as the result of a claim settlement; and</li> <li>(iii) Within 10 days after the date of settlement, applies for a salvage certificate.</li> </ul> <p>An insurance company shall apply for a salvage certificate on a form provided by the Administration for each vehicle titled in the state that is acquired as a result of a claim settlement arising from an accident that occurred in the state. The application shall be accompanied by:</p> <ul style="list-style-type: none"> <li>(i) The certificate of title of the vehicle or, if the certificate of title is defective, lost, or destroyed, an affidavit of ownership on a form and in a manner prescribed by the Administration and a copy of the settlement check or other evidence of final payment;</li> <li>(ii) A statement by the insurance company that: <ul style="list-style-type: none"> <li>1) The cost to repair the vehicle for highway operation is greater than 75 percent of the fair market value of the vehicle prior to sustaining the damage for which the claim was paid and the vehicle is repairable;</li> <li>2) The vehicle is not rebuildable, will be used for parts only, and is not to be retitled;</li> <li>3) The vehicle has been stolen;</li> <li>4) The vehicle has sustained flood damage; or</li> <li>5) The vehicle has been acquired by an insurance company as a result of a claim settlement and the cost to repair the vehicle is 75 percent or less of the fair market value of the vehicle prior to sustaining the damage for which the claim was paid; and</li> </ul> </li> <li>(iii) A fee established by the Administration.</li> </ul> <p>An insurance company shall promptly notify the Administration if:</p> <ul style="list-style-type: none"> <li>(1) The company makes a claim settlement on a vehicle that is salvage; and</li> <li>(2) The owner retains possession of the vehicle.</li> </ul>
<b>VALUATION METHODS PERMITTED</b>	<p>The insurer's minimum offer, subject to applicable deductions, shall be:</p> <p>A. The total of:</p> <ul style="list-style-type: none"> <li>(1) The retail value for a substantially similar motor vehicle from a nationally recognized valuation manual or from a computerized data base that produces statistically valid fair market values for a substantially similar vehicle as defined in Regulation .02B(7) of this regulation; and</li> <li>(2) Regardless of whether the claimant retains salvage rights, the applicable taxes and transfer fees pursuant to COMAR 11.11.05; or</li> </ul> <p>B. The total of:</p> <ul style="list-style-type: none"> <li>(1) A quotation for a substantially similar motor vehicle obtained by or on behalf of the insurer from a qualified dealer at a location reasonably convenient to the claimant; and</li> </ul>

	(2) Regardless of whether the claimant retains salvage rights, the applicable taxes and transfer fees pursuant to COMAR 11.11.05.
<b>RIGHTS OF RECOURSE TO OWNER</b>	After receipt of a settlement offer, a claimant may: (1) Accept the offer; or (2) In writing, reject the offer and make a counteroffer based on: (a) Dealer quotations for a substantially similar motor vehicle; (b) Advertisements for a substantially similar motor vehicle; or (c) Any other source of valuation for a substantially similar motor vehicle. If an insurer rejects a claimant's counteroffer, the insurer shall, within five business days, send to the claimant a written explanation in clear and understandable language of why the information relied on by the claimant in the counteroffer does not provide a more accurate valuation than the information relied on by the insurer in its offer.
<b>DOCUMENTATION OF VALUE TO OWNER</b>	A settlement offer made by an insurer shall: (1) State the amount being offered; (2) Inform the claimant that, on request from the claimant, the insurer shall provide the claimant in writing: (a) A copy of the settlement offer; (b) The method used to arrive at the value of the motor vehicle, including identification of any books, manuals, or databases used; (c) A detailed explanation of the insurer's calculation of the motor vehicle's total loss value, including the calculation of any value added to the motor vehicle by options; (d) A list of all deductions that will be made from the value of the motor vehicle; and (e) A copy of the inspection guidelines relied on by the insurer to determine the condition of the vehicle at the time of the loss.
<b>SALES TAXES AND FEES</b>	The insurer is responsible for applicable taxes and transfer fees.
<b>TOTAL LOSS THRESHOLD</b>	<u>Rule:</u> 75% <u>Comments:</u> Cost to repair vehicle exceeds 75% of the fair market value.

## Massachusetts

<b>RESOURCES</b>	MA ST 90D s 20; MA ST 90D, s 20B; 211 MA ADC 133.05; Bulletin 2011-14; 212 MA ADC 2.04; M.G.L.A. 90D § 1
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Except as noted in the following paragraph, whenever an insurer acquires ownership of a motor vehicle that it has determined to be a total loss salvage motor vehicle, it shall, within 10 days from the date of acquisition, surrender the certificate of title to the registrar and shall apply for a salvage title.</p> <p>Whenever an insurer acquires a motor vehicle which it has determined to be a total loss salvage motor vehicle but is unable to obtain the certificate of title, the insurer may apply for a salvage title in its name without surrendering the certificate of title. Such application shall be accompanied by evidence that the insurer has paid a total loss claim on the vehicle and made at least 2 written attempts, addressed to the last known owner of the vehicle and any known lienholder, to obtain the certificate of title. In lieu of a salvage title, the insurer may similarly apply for a certificate of title in its name for a vehicle if the age of the vehicle precludes issuance of a salvage title.</p> <p>Whenever an insurer makes a total loss settlement on a vehicle that it has determined to be a total loss salvage motor vehicle and the insured owner or claimant retains possession and ownership of the vehicle, the insurer shall notify the registrar of such retention on a form prescribed by the registrar and the owner shall, within 10 days of such settlement, surrender the certificate of title to the registrar and shall apply for a salvage title. The insurer shall notify the insured owner or claimant of the owner's or claimant's responsibility to comply with the provisions of this section.</p> <p>Passenger vehicles ten or more years old excluded from salvage titling requirements.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>Whenever the appraised cost of repair plus the probable salvage value may be reasonably expected to exceed the actual cash value of the vehicle, the insurer shall determine the vehicle's actual cash value.</p> <p>This determination shall be based on a consideration of all the following factors:</p> <ul style="list-style-type: none"> <li>(a) the retail book value for a motor vehicle of like kind and quality, but for the damage incurred;</li> <li>(b) the price paid for the vehicle plus the value of prior improvements to the motor vehicle at the time of the accident, less appropriate depreciation;</li> <li>(c) the decrease in value of the motor vehicle resulting from prior unrelated damage which is detected by the appraiser; and</li> <li>(d) the actual cost of purchase of an available motor vehicle of like kind and quality but for the damage sustained.</li> </ul> <p>Whenever the appraised cost of repair plus the probable salvage may be reasonably expected to exceed the actual cash value, a staff or independent appraiser licensed pursuant to 212 CMR 2.00 shall complete a total loss report on a form that has been filed with the Division of Insurance.</p> <p>If the claimant retains title to the vehicle, the appraiser shall obtain bids from two geographically convenient licensed salvage companies. The average of the two bids shall be used as the salvage value. The appraiser shall provide to the claimant the names and addresses of the potential salvage buyers, the amount of each salvage estimate used by the appraiser in computing the salvage value, and the expiration dates of offers, if any, made by potential salvage buyers.</p>

<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	The total cost of repairing the damage shall be computed by adding any applicable sales tax payable on the cost of replacement parts and other materials.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule</u>: Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments</u>: Insurer determines if it is uneconomical to repair the vehicle and the vehicle is not repaired.</p>

DCI Solution

## Michigan

<b>RESOURCES</b>	MI ST 257.217c
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Except for a late model vehicle that has been stolen and recovered and that has no major component part removed, missing, or destroyed, or damaged and not salvageable, an insurance company licensed to conduct business in this state that acquires ownership of a late model vehicle through the payment of a claim shall proceed under either of the following:</p> <p>(a) If the insurance company acquires ownership of the vehicle through payment of a claim, the owner of the vehicle shall assign the certificate of title to the insurance company, which shall do all of the following:</p> <p>(i) Surrender a properly assigned certificate of title to the Secretary of State.</p> <p>(ii) If the estimated cost of repair, including parts and labor, is equal to or more than 75 percent but less than 91 percent of the predamaged actual cash value of the vehicle, apply for a salvage certificate of title, and if the estimated cost of repair, including parts and labor, is equal to or greater than 91 percent of the predamaged actual cash value of the vehicle, apply for a scrap certificate of title. The insurance company shall not sell the vehicle without first receiving a salvage or scrap certificate of title, which shall be assigned to the buyer.</p> <p>(b) If after payment of a total loss claim the insurance company permits the owner of the vehicle to retain ownership, the insurance company shall do all of the following:</p> <p>(i) If the estimated cost of repair, including parts and labor, is equal to or greater than 75 percent but less than 91 percent of the predamaged actual cash value of the vehicle, require each owner of the vehicle to sign an application for a salvage certificate of title, or if the estimated cost of repair, including parts and labor, is equal to or greater than 91 percent of the predamaged actual cash value of the vehicle, require each owner of the vehicle to sign an application for a scrap vehicle certificate of title.</p> <p>(ii) Attach the owner's certificate of title to the application for a salvage or scrap certificate of title or have the owner certify that the certificate of title is lost.</p> <p>(iii) On behalf of the owner, apply to the Secretary of State for a salvage or scrap certificate of title in the name of the owner. The owner shall not sell or otherwise dispose of the vehicle without first receiving a salvage or scrap certificate of title, which shall be assigned to the buyer. An insurance company may assign a salvage or scrap certificate of title only to an automotive recycler, used or secondhand vehicle parts dealer, foreign salvage vehicle dealer, or vehicle scrap metal processor.</p>
<b>VALUATION METHODS PERMITTED</b>	"Actual cash value" means the retail dollar value of a vehicle as determined by an objective vehicle evaluation using local market resources such as dealers or want ads or by an independent vehicle evaluation or vehicle appraisal service or by a current issue of a nationally recognized used vehicle guide for financial institution appraisal purposes in this state.
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	No provision

**TOTAL LOSS  
THRESHOLD**

Rule: 75%

Comments: If cost of repair, including parts and labor, is between 75% and 91% of the actual cash value, then a salvage title is given. It then is a "distressed vehicle."

DCI Solution

## Minnesota

<b>RESOURCES</b>	MN ST s 168A.151; MN ST s 72A.201
<b>SALVAGE TITLING REQUIREMENTS</b>	When an insurer, licensed to conduct business in Minnesota, acquires ownership of a late-model or high-value vehicle through payment of damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in a manner prescribed by the department. Within 10 days of obtaining the title of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.
<b>VALUATION METHODS PERMITTED</b>	The costs must be determined by: <ul style="list-style-type: none"> <li>(i) the cost of a comparable automobile, adjusted for mileage, condition, and options, in the local market area of the insured, if such an automobile is available in that area; or</li> <li>(ii) one of two or more quotations obtained from two or more qualified sources located within the local market area when a comparable automobile is not available in the local market area. The insured shall be provided the information contained in all quotations prior to settlement; or</li> <li>(iii) any settlement or offer of settlement which deviates from the procedure above must be documented and justified in detail. The basis for the settlement or offer of settlement must be explained to the insured.</li> </ul>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	The insurer is responsible for all applicable taxes, license fees, at least pro rata for the unexpired term of the replaced automobile's license, and other fees incident to transfer of evidence of ownership, less the deductible amount as provided in the policy.
<b>TOTAL LOSS THRESHOLD</b>	<u>Rule:</u> 80% <u>Comments:</u> Damage to late model vehicle (newer than six-years-old) or high value vehicle (over \$5,000) exceeds 80% of its actual cash value.

## Mississippi

<b>RESOURCES</b>	MS ST s 63-21-33; MS ADC 35-VII-7.02; MS Bulletin 2007-4
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>An insurance company, which obtains title to a motor vehicle as a result of paying a total loss claim resulting from collision, fire, flood, or other cause, shall obtain a salvage certificate of title in its name for such vehicle from the State Tax Commission.</p> <p>An insurance company, which as a result of paying a total loss claim, becomes the owner of a motor vehicle and obtains the insured's certificate of title, shall within 72 hours after obtaining said title apply to the Tax Commission for a new certificate of title. The provisions of this paragraph shall not apply to a vehicle that is 10 years old or older with a value prior to the loss of \$1,500 or less or which will require the replacement of five or fewer minor component parts in the reconstruction process.</p> <p>If ownership of a salvage vehicle has not been acquired by an insurer, the owner must surrender the certificate of title for such vehicle to a designated agent of the State Tax Commission prior to any sale or disposition of such vehicle and not later than 30 days from the date that the vehicle becomes a salvage vehicle.</p>
<b>VALUATION METHODS PERMITTED</b>	No provision
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	Unless an automobile insurance policy clearly and unambiguously excludes the recovery of sales taxes, title fees, or license fees under a total loss claim, it is the position of the Insurance Department that those taxes and fees should be paid.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments:</u> Vehicle cannot be more than ten-years-old, have a value of less than \$1,500, or damage that requires replacement of five or few minor components. Also, applies to vehicle which requires replacement of more than five minor component parts according to insurer.</p>

## Missouri

<b>RESOURCES</b>	MO ST 301.193; MO ST 301.227; MO A.G. Opinion No. 64-89; MO ST 301.010; 20 MO ADC 100-1.050; MO ST 144.027
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Any insurer which purchases a vehicle that is currently titled in Missouri through the claims adjustment process for which the insurer is unable to obtain a negotiable title may make application to the department of revenue for a salvage certificate of title or junking certificate. Such application may be made by the insurer or its designated salvage pool on a form provided by the department and signed under penalty of perjury. The application shall include a declaration that the insurer has made at least two written attempts to obtain the certificate of title, transfer documents, or other acceptable evidence of title, and be accompanied by proof of claims payment from the insurer, evidence that letters were delivered to the vehicle owner, a statement explaining the circumstances by which the property came into the insurer's possession, a description of the property including the year, make, model, vehicle identification number, and current location of the property, and the fee prescribed in subsection 5 of section 301.190. The insurer shall, thirty days prior to making application for title, notify any owners or lienholders of record for the vehicle that the insurer intends to apply for a certificate of title from the director for the vehicle. Upon receipt of the application and supporting documents, the director shall search the records of the department of revenue to verify the name and address of any owners and any lienholders. After thirty days from receipt of the application, if no valid lienholders have notified the department of the existence of a lien, the department shall issue a salvage certificate of title or junking certificate for the vehicle in the name of the insurer.</p> <p>Whenever a vehicle is sold for salvage, dismantling, or rebuilding, the purchaser shall forward to the Director of Revenue within 10 days the certificate of ownership or salvage certificate of title and the proper application and fee of \$8.50, and the director shall issue a negotiable salvage certificate of title to the purchaser of the salvaged vehicle. On vehicles purchased during a year that is no more than six years after the manufacturer's model year designation for such vehicle, it shall be mandatory that the purchaser apply for a salvage title. On vehicles purchased during a year that is more than six years after the manufacturer's model year designation for such vehicle, then application for a salvage title shall be optional on the part of the purchaser.</p> <p>Whenever a vehicle is sold for destruction and a salvage certificate of title, junking certificate, or certificate of ownership exists, the seller, if licensed under sections 301.217 to 301.221, shall forward the certificate to the Director of Revenue within 10 days, with the notation of the date sold for destruction and the name of the purchaser clearly shown on the face of the certificate.</p> <p>Notwithstanding the provisions of subsection 1 of this section, an insurance company that settles a claim for a stolen vehicle may apply for and shall be issued a negotiable salvage certificate of title without the payment of any fee upon proper application within 30 days after settlement of the claim for such stolen vehicle. However, if the insurance company upon recovery of a stolen vehicle determines that the stolen vehicle has not sustained damage to the extent that the vehicle would have otherwise been declared a salvage vehicle pursuant to subdivision (51) of section 301.010, then the insurance company may have the vehicle inspected by the state highway patrol, or other law enforcement agency authorized by the Director of Revenue, in accordance with the inspection provisions of subsection 9 of section 301.190. Upon receipt of title application, applicable fee, the completed inspection, and the return of any previously issued negotiable salvage certificate, the director shall issue an original title with no salvage or prior salvage designation. Upon the issuance of an original title the director shall remove any indication</p>

<p><b>VALUATION METHODS PERMITTED</b></p>	<p>of the negotiable salvage title previously issued to the insurance company from the department's electronic records.</p> <p>When the owner retains the vehicle, the insurance company is not required to obtain the title to the vehicle from the insured.</p> <p>"Fair market value" means the retail value of a motor vehicle as:</p> <ul style="list-style-type: none"> <li>a) Set forth in a current edition of any nationally recognized compilation of retail values, including automated databases, or from publications commonly used by the automotive and insurance industries to establish the values of motor vehicles;</li> <li>b) Determined pursuant to a market survey of comparable vehicles with regard to condition and equipment; and</li> <li>c) Determined by an insurance company using any other procedure recognized by the insurance industry, including market surveys, that is applied by the company in a uniform manner.</li> </ul>
<p><b>RIGHTS OF RECOURSE TO OWNER</b></p>	<p>No provision</p>
<p><b>DOCUMENTATION OF VALUE TO OWNER</b></p>	<p>The insurer shall give a copy of the estimate to the claimant and may furnish to the claimant the names of one or more conveniently located repair shops.</p>
<p><b>SALES TAXES AND FEES</b></p>	<p>The Director of Revenue shall permit a sales tax credit to an individual who replaces a motor vehicle that was stolen or a total loss. The sales tax credit is limited to the amount of insurance proceeds received by the individual. The receipt of a sales tax credit is conditioned upon the individual's replacing the stolen or destroyed vehicle within 180 days of the date of the settlement payment by the insurance company.</p>
<p><b>TOTAL LOSS THRESHOLD</b></p>	<p><u>Rule</u>: 80%</p> <p><u>Comments</u>: Vehicle less than six-years-old and if damaged exceeds 80% of the fair market value.</p>

## Montana

<b>RESOURCES</b>	MT ST s 61-3-211; MT ST 33-23-202, MT ST 27-1-306
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>An insurer acquiring ownership of a vehicle that is less than 15 years of age that the insurer determines to be a salvage vehicle shall surrender the certificate of title to the department within 15 days after acquiring the certificate of title. If the insurer has not sold the salvage vehicle prior to the time of surrendering the certificate of title, the insurer shall apply for a salvage certificate on a form prescribed by the department. If the certificate of title names one or more holders of a perfected security interest in the vehicle, the insurer shall secure and deliver to the department a release from each secured party of the secured interest.</p> <p>If an insurer determines that a salvage vehicle will remain with the owner after an agreed settlement, the insurer shall notify the department of the settlement on a form prescribed by the department. Upon receipt of the notice, the department may require the owner to surrender the certificate of title in compliance with this part, regardless of whether ownership of the salvage vehicle was obtained in a jurisdiction not requiring the surrender of the certificate of title or a comparable ownership document.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>Each motor vehicle insurance policy issued to residents of this state that provides that reimbursement for total loss of a motor vehicle be based on a "book" value rather than on the actual replacement value is void as to that provision, and reimbursement must be made for actual replacement value except as provided in 27-1-306.</p> <p>The measure of damages in a case in which the cost of repairing a motor vehicle exceeds its value is the actual replacement value of the motor vehicle rather than its "book" value unless, after the damages arise, the parties agree to use the book value. Book value must be determined by referring to the most recent volume of the Mountain States Edition of the National Automobile Dealers Association (NADA) Official Used Car Guide or the National Edition of NADA Appraisal Guides Official Older Used Car Guide. Actual replacement value is the actual cash value of the motor vehicle immediately prior to the damage. Book value may be used to assist in determining the actual replacement value of the motor vehicle.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	No provision
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments:</u> Insurer determines if the vehicle is a total loss. It is "salvage vehicle" if insurer decides it is uneconomical to repair, considering parts and labor.</p>

## Nebraska

<b>RESOURCES</b>	NE ST s 60-173; NE ST s 60-171; 210 NE ADC Ch. 60, s 009; NE Bulletin CB-49
<b>SALVAGE TITLING REQUIREMENTS</b>	When an insurance company acquires a salvage vehicle through payment of a total loss settlement on account of damage, the company shall obtain the certificate of title from the owner, surrender such certificate of title to the county treasurer, and make application for a salvage branded certificate of title, which shall be assigned when the company transfers ownership. An insurer shall take title to a salvage vehicle for which a total loss settlement is made unless the owner of the salvage vehicle elects to retain the salvage vehicle. If the owner elects to retain the salvage vehicle, the insurance company shall notify the department of such fact in a format prescribed by the department. The department shall immediately enter the salvage brand onto the computerized record of the vehicle. The insurance company shall also notify the owner of the owner's responsibility to comply with this section. The owner shall, within 30 days after the settlement of the loss, forward the properly endorsed acceptable certificate of title to the county treasurer in the county designated in section 60-144. The county treasurer shall, upon receipt of the certificate of title, issue a salvage branded certificate of title for the vehicle.
<b>VALUATION METHODS PERMITTED</b>	Retail value means the actual cash value, fair market value, or retail value of a vehicle as (a) set forth in a current edition of any nationally recognized compilation, including automated data bases, of retail values or (b) determined pursuant to a market survey of comparable vehicles with respect to condition and equipment.
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	If non-total losses are settled on the basis of a written estimate prepared by or for the insurer, the insurer shall supply the claimant a copy of the estimate upon which the settlement is based.
<b>SALES TAXES AND FEES</b>	<p>The Department takes the position that sales tax must be paid under the following guidelines whether it is a first party or third party settlement.</p> <ol style="list-style-type: none"> <li>1. Sales tax must be paid on total loss settlements where the vehicle is replaced. <ol style="list-style-type: none"> <li>A. The amount of the tax reimbursable shall be based on the value of the vehicle totaled, not on the value of the replacement vehicle, except;</li> <li>B. If a totaled vehicle is replaced by a vehicle of lesser value, the sales tax will be based on the value of the replacement vehicle.</li> </ol> </li> <li>2. Sales tax will not be a matter of settlement when a vehicle is not replaced.</li> <li>3. Sales tax payments may be made as a supplemental payment when the totaled vehicle is actually replaced.</li> <li>4. The claimant must have the option of replacing the vehicle and receiving payment for the sales tax for at least 90 days after the accident, or 30 days after the settlement of the other portions of property loss, whichever is later.</li> </ol>
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 75%</p> <p><u>Comments:</u> Late model vehicle damage exceeds 75% of the retail value at the time it was wrecked, damaged, or destroyed. "Late model vehicle" means a vehicle which has (a) a manufacturer's model year designation of, or later than, the year in which the vehicle was wrecked, damaged, or destroyed, or any of the six preceding years.</p>

## Nevada

<b>RESOURCES</b>	NV ST 487.800; NV ADC 686A.680; N.R.S. § 487.790(1)(b)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>When an insurance company acquires a motor vehicle as a result of a settlement in which the motor vehicle is determined to be a salvage vehicle, the owner of the motor vehicle who is relinquishing ownership of the motor vehicle shall endorse the certificate of title of the motor vehicle and forward the endorsed certificate of title to the insurance company within 30 days after accepting the settlement from the insurance company. The insurance company or its authorized agent shall forward the endorsed certificate of title, together with an application for a salvage title or nonrepairable vehicle certificate, to the state agency within 180 days after receipt of the endorsed certificate of title.</p> <p>If the owner of the motor vehicle who is relinquishing ownership does not provide the endorsed certificate of title to the insurance company within 30 days after accepting the settlement pursuant to subsection 1, the insurance company shall, within 180 days after the expiration of that 30-day period, forward an application for a salvage title or nonrepairable vehicle certificate to the state agency. The state agency shall issue a salvage title or nonrepairable vehicle certificate to the insurance company for the vehicle upon receipt of:</p> <ul style="list-style-type: none"> <li>(a) The application;</li> <li>(b) A motor vehicle inspection certificate signed by a representative of the department or, as one of the authorized agents of the department, by a peace officer, dealer, rebuilder, automobile wrecker, operator of a salvage pool, or garageman;</li> <li>(c) Documentation that the insurance company has made at least two written attempts by certified mail, return receipt requested, or by use of a delivery service with a tracking system, to obtain the endorsed certificate of title; and</li> <li>(d) Proof satisfactory to the state agency that the certificate of title was required to be surrendered to the insurance company as part of the settlement.</li> </ul> <p>Except with respect to a nonrepairable vehicle, if a total loss insurance settlement between an insurance company and any person results in the retention of the salvage vehicle by that person, before the execution of the total loss settlement, the insurance company or its authorized agent shall:</p> <ul style="list-style-type: none"> <li>(a) Obtain, upon an application for salvage title, the signature of the person who is retaining the salvage vehicle;</li> <li>(b) Append to the application for salvage title the certificate of title to the motor vehicle or an affidavit stating that the original certificate of title has been lost; and</li> <li>(c) Apply to the state agency for a salvage title on behalf of the person who is retaining the salvage vehicle.</li> </ul>
<b>VALUATION METHODS PERMITTED</b>	<p>The cost must be determined by an evaluation of:</p> <ul style="list-style-type: none"> <li>(1) The cost of two or more comparable automobiles in the local market area which are currently available or were available within the most previous 90 days to consumers in the local market area;</li> <li>(2) If the cost cannot be determined pursuant to subparagraph (1), the cost of two or more comparable automobiles that are currently available or were available in the most previous 90 days to consumers in areas, both within and without this state, which are geographically proximate to the local market area; or</li> </ul>

	<p>(3) If the cost cannot be determined pursuant to subparagraph (1) or (2), two or more quotations obtained by the insurer from two or more licensed dealers located within the local market area.</p> <p>When a first-party automobile total loss is settled on a basis which deviates from the methods described in paragraphs (a) and (b) of this subsection, the deviation must be supported by documents giving particulars of the condition of the automobile. Any deductions from the cost, including a deduction for salvage, must be measurable, discernible, itemized, and specified as to the amount and must be appropriate in amount. The basis for the settlement must be fully explained to the first-party claimant.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	The insurer shall give a copy of the estimate to the claimant and may furnish to the claimant the names of one or more conveniently located repair shops.
<b>SALES TAXES AND FEES</b>	The insurer is responsible for all applicable taxes, license fees, and other fees incident to transfer of evidence of ownership of the automobile paid, at no cost other than any deductible provided in the policy.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 65%</p> <p><u>Comments:</u> Vehicle damage exceeds 65% of the fair market value.</p>

## New Hampshire

<b>RESOURCES</b>	NH ST s 261:22; NH ADC Ins 1002.15
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Any insurance firm or representative thereof who shall declare a motor vehicle, other than an exempt vehicle as provided in NH ST s 261:3, as having been a total loss shall make application for a salvage certificate of title within 20 days of the total loss payment. Such application shall be accompanied by:</p> <ul style="list-style-type: none"> <li>(a) Any certificate of title;</li> <li>(b) Any other information and documents the director reasonably requires to establish ownership of the vehicle and the existence or nonexistence of security interest in it; and</li> <li>(c) The required fee of \$10.</li> </ul> <p>The department shall file each application received and when satisfied as to its genuineness and regularity and when satisfied that the applicant is entitled to the issuance of a salvage certificate of title shall issue a salvage certificate of title of the vehicle to the owner. The salvage certificate of title shall serve as proof of ownership and shall contain a legend indicating that the vehicle has been declared a total loss.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>Insurers shall determine total loss settlement based upon the motor vehicle's fair market value using one of the following methods:</p> <ul style="list-style-type: none"> <li>(1) The average retail value derived from the application of a process or methodology that the department accepts as a statistically valid method of establishing fair market value in the local market area, developed and submitted according to the following guidelines: <ul style="list-style-type: none"> <li>a) In order for a methodology to be acceptable, the insurer, or vendor on behalf of the insurer, shall submit to the department a description of their methodology or model accompanied by supporting details. Supporting details shall include a discussion of how the valuation process or model is designed and an analytical and/or statistical validation of the assumptions, parameters, data elements and results of the process or model;</li> <li>b) The department will publish a list annually, at the beginning of the calendar year, of accepted valuation guides and methodologies;</li> <li>c) If there are any changes made to the process or methodology provided to the department pursuant to (1)(a) above, the insurer or vendor shall provide the department with details as to the changes being made so that the department can determine whether the process or method will remain on the accepted list.</li> </ul> <p>DCI Solution is an approved and accepted resource.</p> </li> <li>(2) Documented sales cost of no fewer than two motor vehicles of the same make, model and year as the total loss motor vehicle that have occurred within the previous 90 days within the local market area;</li> <li>(3) If documented sales cost of a motor vehicle of the same make, model and year as the total loss motor vehicle, as described in (a)(2) is unavailable then: <ul style="list-style-type: none"> <li>a) Documented sales cost of no fewer than two motor vehicles of like kind and quality that have occurred within the previous 90 days within the local market area; or</li> <li>b) An average sales price derived from written quotations for a motor vehicle that is the same make, model, and year as the total loss motor vehicle, obtained by the insurer from at least three different licensed dealerships located within the local market area, that</li> </ul> </li> </ul>

	<p>engage in the buying and selling of motor vehicles of like kind and quality in the ordinary course of their business.</p> <p>Deviations allowed for construction equipment and commercial motor vehicles or if the insurer can demonstrate that the motor vehicle is a make or model vehicle not customarily found in the local market area.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	<p>If the insured or claimant disagrees with the value derived from any methodology allowed under (a)(1) above, and can demonstrate by presenting to the insurer within 15 days of receipt of the settlement payment, evidence from 2 reliable sources that the motor vehicle would have a higher cash value in the local market area than as represented by the total loss settlement, then the insurer shall recalculate a new total loss settlement considering this reliable evidence in determining a revised total loss settlement. These provisions shall not apply if the insurer included in its documentation at the time of settlement, a written notification of the availability and location in the local market area of a specified and comparable vehicle of the same manufacturer, same year, similar body style and similar options, in as good or better condition as the total loss vehicle, which could have been purchased for an amount equal or less than the fair market value of the total loss vehicle as determined by the insurer. The documentation shall include the vehicle identification number.</p>
<b>DOCUMENTATION OF VALUE TO OWNER</b>	<p>In conjunction with a total loss settlement offer, the insurer shall provide to the insured or claimant a report which explains the basis for the valuation underlying the offer.</p>
<b>SALES TAXES AND FEES</b>	<p>No provision</p>
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 75%</p> <p><u>Comments:</u> Cost for vehicle repair is 75% or more of its fair market value prior to being damaged.</p>

## New Jersey

<b>RESOURCES</b>	NJ ST 39:10-32; NJ ADC 13:21-22.4; NJ ADC 11:3-10.4; NJ Bulletin 2009-23; N.J.S.A. § 13:21-22.3
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>If a motor vehicle has either been reported as being stolen or suffered sufficient damage to render it economically impractical to repair, the person in possession of the certificate of ownership for the vehicle shall surrender the certificate of ownership to the director along with a statement setting forth how the person acquired the certificate of ownership. The director, after determining ownership, shall issue a salvage certificate of title to a person who surrenders a certificate of ownership.</p> <p>Whenever a motor vehicle is reported as being stolen or is damaged to such an extent that it is economically impractical to repair, the owner, insurer, or person in possession of the certificate of ownership shall, within 10 working days after the motor vehicle was reported as stolen or damaged, or within 10 working days after settling a total loss insurance claim, surrender the certificate of ownership for such motor vehicle to the Commission. Upon surrender of the certificate of ownership, the Chief Administrator shall issue a salvage certificate of title to the owner of the salvage motor vehicle.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>1. The average of the retail values for substantially similar motor vehicles as listed in the editions current for the date of loss of two valuation manuals approved by the Commissioner.</p> <p>i. The average figure arrived at may be reduced or increased by considering all factors, including, but not limited to, mileage tables and the presence or absence of extras.</p> <p>ii. If the destroyed vehicle included an option which is listed in one manual but not in the other, the value of the option shall not be averaged. The insured shall receive full value for the option by carrying over the amount listed to the other manual. The option carryover shall apply only in those instances where the option has not been considered by the used vehicle guide either as a separate item or included in the vehicle's base value.</p> <p>iii. If a manual is submitted for approval by the Commissioner its accuracy must meet objective criteria for the values of substantially similar vehicles of at least 85 percent of all makes and models for the last 15 years and shall include all major options. A sufficient number of vehicles shall be used for each year, make and model to represent a cross-section sufficient to determine fair market values. At the time of request for approval, the source of the manual's data must be revealed to the Commissioner in a manner that can be verified by the Department. Manuals approved for use on or after January 1, 1976 are "Automobile Red Book" and "Older Car/Truck Red Book" published by Maclean Hunter Market Reports, Inc. and the "N.A.D.A. Official Used Car Guide" and "N.A.D.A. Official Older Car Guide" published by the National Automobile Dealers Used Car Guide Company.</p> <p>2. A quotation obtained by the insurer for a substantially similar motor vehicle from a dealer located within a reasonable distance from the principal place of garagement of the insured vehicle. Unless otherwise agreed by the insured, a reasonable distance shall not exceed 25 miles from the principal place of garagement. The vehicle must be available for purchase by the insured and the insured must be able to purchase it for the insurer's cash offer plus applicable deductions. The insurer shall maintain in its claim file proof of the vehicle's availability and the name and location of the dealer, stock number, vehicle identification number and description of the substantially similar vehicle.</p> <p>3. The fair market value of the insured vehicle, determined by using a source including a computerized database approved by the Commissioner that meets all of the following minimum criteria:</p>

	<p>i. The source must give primary consideration to the values of vehicles in the local market area, but if necessary to obtain a reasonable cross-section of the market, may consider vehicles in the next closest area.</p> <p>ii. The source shall produce fair market values of substantially similar vehicles for at least 85 percent of all makes and models for the last 15 years and shall include all major options. A sufficient number of vehicles must be used for each year, make, and model to represent a cross-section of the market sufficient to determine fair market value.</p> <p>iii. If the database uses several price ranges for the same model vehicle depending on the condition of the vehicle, it must clearly indicate what condition the vehicle is being valued at and define in detail the difference between such rating categories. Documentation of the condition of the insured vehicle must be made a part of the written valuation.</p> <p>iv. At the time of request for approval the source of the database shall be revealed to the Commissioner in a manner that can be verified by the Department.</p> <p>4. If it is not possible to value the insured vehicle by using the method set forth in (a)1, 2 and 3, the insurer shall determine the retail value of the vehicle by using the best available method and shall fully explain in writing to the insured how its offer was calculated.</p>
<p><b>RIGHTS OF RECOURSE TO OWNER</b></p>	<p>If the insurer is notified in writing within 30 calendar days of the receipt of the claim draft that the insured cannot purchase a comparable vehicle at the market value established by the insurer, the insurer shall reopen its claim file and the following procedures will apply:</p> <ol style="list-style-type: none"> <li>1. The insurer may locate a substantially similar vehicle by the same manufacturer of the same year, make and model, with similar options, mileage, and condition as the destroyed vehicle from a licensed dealer. Such vehicle must be within a reasonable distance not to exceed 25 miles from the insured's principal place of garaging;</li> <li>2. The insurer shall either pay the difference between the market value before applicable deductions and the cost or the market value as determined by (a)2 above of a substantially similar vehicle located by the insured or negotiate and effect purchase of this vehicle for the insured;</li> <li>3. The insurer may elect to offer a replacement vehicle in accordance with the provisions as in (e) below; or</li> <li>4. The insurer or insured may conclude the loss settlement as provided for under the appraisal section of the insurance contract in force at the time of loss. This appraisal shall be considered as binding against both parties, but shall not preclude or waive any other rights either party has under the insurance contract or under law.</li> </ol>
<p><b>DOCUMENTATION OF VALUE TO OWNER</b></p>	<p>Written, itemized valuations showing all options and deductions shall be included in the insurer's claim file and presented to the insured no later than the date of payment.</p>
<p><b>SALES TAXES AND FEES</b></p>	<p>The insurer is responsible for applicable sales tax.</p>
<p><b>TOTAL LOSS THRESHOLD</b></p>	<p><u>Rule</u>: Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments</u>: Insurer determines if it is "economically impractical" to repair vehicle or cost of repairs is higher than the market value of the vehicle.</p>

## New Mexico

<p><b>RESOURCES</b></p>	<p>NM ST s 66-3-4, NM ADC 18.19.3; N.M.S.A. § 66-1-4.16(C)</p>
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## SALVAGE TITLING REQUIREMENTS

If an insurance company makes a total loss settlement on a nonrepairable vehicle and takes possession of that vehicle, either itself or through an agent or salvage pool, the insurance company or an authorized agent of the insurance company shall:

- (1) stamp the face of the title or manufacturer's certificate of origin with the word "NONREPAIRABLE", in letters no less than one-half inch high, at an angle of approximately fortyfive degrees to the text of the title or manufacturer's certificate of origin; and
- (2) within 20 days after receipt of title by the insurer, free and clear of all liens, submit a copy of the branded title or manufacturer's certificate of title to the department together with documents explaining the reason for branding, and shall forward a properly endorsed certificate of title or manufacturer's certificate of origin or other evidence of ownership acceptable to the department together with the proper fee to the department. The department, upon receipt of the title or manufacturer's certificate of origin or other evidence of ownership, shall issue a nonrepairable vehicle certificate for the vehicle.

If an owner of a nonrepairable vehicle elects to retain possession of the vehicle, the insurance company shall notify the department of the retention on a form prescribed by the department. The insurance company shall also notify the insured or owner of the insured's or owner's responsibility to comply with this section. The owner shall, within twenty days from the date of settlement of the loss, forward a properly endorsed certificate of title or manufacturer's certificate of origin or other evidence of ownership acceptable to the department together with the proper fee to the department. The department, upon receipt of the title or manufacturer's certificate of origin or other evidence of ownership, shall issue a nonrepairable vehicle certificate for the vehicle.

The steps below are to be followed when the insurance company that had insured the vehicle takes title to a salvage vehicle or an unrecovered stolen vehicle in exchange for a payment to the insured in accordance with the insurance contract.

- (1) The insurance company or its authorized agent shall obtain the title or manufacturer's certificate of origin (MCO) for the vehicle and verify that the document is in the name of the former owner.
- (2) The former owner or the former owner's authorized agent shall sign the title or MCO on the seller's release line. If a business was the former owner, the name of the business must appear with the signature of the business's owner, officer, or agent.
- (3) The name of the insurance company shall be entered in the purchaser section of the title or MCO.
- (4) The insurance company shall stamp the face of the title or MCO with the word 'SALVAGE' in letters no less than one-half inch high, at an angle of approximately 45 degrees to the text of the title or MCO. The stamp shall not cover the portion of the title or MCO that describes the vehicle.
- (5) The insurance company shall submit a copy of the branded title or MCO to the motor vehicle division, together with documents explaining the reason for the branding. In the case of a salvage vehicle, a statement must be included of the costs of repair to make the vehicle safe for operation on the highways and the estimate of its fair market value immediately prior to damage. If the title was issued by a jurisdiction other than New Mexico, a copy of the title must be sent to the issuing jurisdiction with a completed Statement of Loss.

## VALUATION METHODS PERMITTED

Fair market value shall be that indicated for the make and model in the national automobile dealers association used car pricing guide, or equivalent publication, exclusive of the fair market value of accessories, such as a stereo system.

<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	No provision
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule</u>: Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments</u>: Insurer determines if it is uneconomical to repair vehicle.</p>

DCI Solution

## New York

<b>RESOURCES</b>	15 NY ADC 81.8; NY Veh & Traf s 429; 11 NY ADC 216.8; NY Circular Letter 1999-29; 11 NY ADC 216.7; 11 NY ADC 216.6; 15 NYCRR § 20.20(c)(ii)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Except as provided in paragraph (8) of this subdivision, whenever a person acquires a junk and salvage vehicle, other than by receiving a properly endorsed MV-907A (transfer copy), such person shall properly complete an MV-907A in accordance with the instructions on the form and submit the DMV copy to the Department of Motor Vehicles within 15 business days of the date such vehicle was acquired, together with the title certificate or other proof of ownership for such vehicle. If an insurance company is required to file an MV-907A, either an appraisal report or two pictures of the vehicle, taken from two different points, showing the major damage to the vehicle, if any, shall be filed with the DMV copy of the MV-907A. This provision shall not apply to an MV-907A filed with respect to an unrecovered stolen vehicle. If an out-of-state insurance company uses an adjuster in New York to settle a total loss claim, then the adjuster shall file form MV-907A. If an insurance company authorizes a salvage pool or a vehicle dismantler to possess a vehicle, but is unable to promptly deliver the MV-907A for that vehicle, it shall deliver or mail within four days a written document authorizing the salvage pool or vehicle dismantler to possess the vehicle. The written document must identify the vehicle by year, make, vehicle identification number and, if appropriate, insurance company file number. More than one vehicle may be identified on a single letter or other written document.</p> <p>Whenever an insurance company acquires a motor vehicle in settlement of a claim for damage thereto or theft thereof, such company shall deliver a statement concerning such acquisition to the commissioner as provided in this section. Such company shall deliver the certificate of title or any other ownership documents relating to such motor vehicle properly executed to transfer title from the insured to the company and notices of release of security interest from any lienholder whose lien has been satisfied to the commissioner with the required statement of acquisition.</p> <p>Insurers shall, except where the insured is permitted to retain the automobile as part of the claim settlement, take possession of the certificate of title, properly endorsed to them, and take possession of the salvage, if any, whenever a loss is determined by the insurer to be a total loss or a constructive total loss. Insurers, in disposing of the salvage, shall fully comply with the requirements of section 429 of the Vehicle and Traffic Law. An insured shall not be permitted to retain the insured vehicle if the salvage value of the vehicle after the loss aggregates 10 percent or less of the actual cash value of the vehicle prior to the loss, unless the insurer is satisfied that the insured intends to retain the automobile for the insured's own use.</p>
<b>VALUATION METHODS PERMITTED</b>	(i) The average of the retail values for a substantially similar vehicle as listed in two valuation manuals current at the date of loss and approved by this department. Manuals approved for use are the Redbook, published by National Market Reports Inc., and the NADA Official Used Car Guide, published by the National Automobile Dealers Used Car Guide Company. The use of other manuals may be approved by this department upon demonstration of need and suitability. If it is evident that an option has not been considered in either or both of the above valuation manuals, the insurer shall consider the value, if any, of such option in arriving at the vehicle's value and shall utilize the best available method to value such option. The insurer may deduct documented, reasonable dealer preparation charges, up to \$100, from the average of the retail values. The insurer shall provide to the insured, no later than the date of payment of the claim, a detailed copy of its calculation of the insured vehicle's total loss value, including the valuation of options which are not considered in the base price of the vehicle.

(ii) A quotation for a substantially similar vehicle, obtained by the insurer from a qualified dealer located reasonably convenient to the insured. A reasonable location shall be within 25 miles of the place of principal garagement of the motor vehicle. The substantially similar available vehicle must remain available for purchase by the insured for a period of three calendar days subsequent to receipt of notice of its availability by the insured, and the insured must be able to purchase the substantially similar vehicle at the quoted dealer for the insurer's cash offer plus applicable deductions. The insurer must maintain in its claim file the dealer's name and location, the vehicle identification number, the dealer stock number, the mileage and the major options for the substantially similar vehicle which was the basis of its quote. The notice to the insured of the availability of a substantially similar vehicle must be sent by certified mail, return receipt requested, or be a sound-recorded conversation reflecting the date of notice. The three calendar days commence on the date the insured acknowledges receipt of notice. The insured need not purchase the vehicle used as the basis of the insurer's quotation, since the quotation merely serves as a basis for the insurer's offer. The foregoing period is satisfied at the point an insured physically verifies the existence of the substantially similar available vehicle used as the basis of the insurer's quotation. Should the insurer's research of substantially similar vehicles determine that the retail values contained in the valuation manuals, prescribed in subparagraph (i) of this paragraph, are inadequate to purchase a substantially similar vehicle, the insurer's offer should be the amount determined by such research.

(iii) A quotation obtained from a computerized database, approved by the superintendent, that produces statistically valid fair market values for a substantially similar vehicle, within the local market area that meets all the following minimum criteria: (a) it shall produce values for at least 85 percent of all makes and models of private passenger automobiles, as defined in section 67.1 (a) of this title, for the last 15 model years, and shall take into account the values of all major options for such vehicles; (b) it shall rely upon values derived from licensed dealers, which have minimum sales of 100 motor vehicles per year in the local market area for all vehicles of seven model years or less of age, and be based upon the physical inventory of vehicles sold within the 90 days prior to the loss and vehicles which are available; and (c) it shall monitor the average retail price of private passenger automobiles when there is insufficient data or inventory available from licensed dealers to ensure statistically valid local market area values.

(iv) If the method used in subparagraph (i), (ii) or (iii) of this paragraph would result in a settlement offer greater than the purchase price plus the cost of substantiated improvements paid by the insured for a vehicle purchased within the 180 calendar days prior to date of loss, the insurer's offer of settlement may be limited to the purchase price, plus the cost of any substantiated improvements, less the deductible. This method of settlement shall not be applicable to motor vehicles acquired by the insured through a private sale or as a gift. A private sale is one in which the seller does not engage in the sale of motor vehicles as an occupation.

(v) If it is not possible to value the damaged motor vehicle by using an alternative method as described in subparagraph (i), (ii), (iii), or (iv) of this paragraph, the insurer shall determine the retail value by the best available method and shall explain to the insured how its offer was calculated.

#### **RIGHTS OF RECOURSE TO OWNER**

If, within 35 calendar days after mailing of the claim payment, the insured notifies the insurer in writing that the insured cannot purchase a comparable vehicle for the market value, as determined under the provisions of subparagraph (1)(i), (ii), (iii) or (v) or paragraph (3) of this subdivision, the insurer shall reopen its claim file and shall offer, in its discretion and subject to applicable deductions, one of the following options to the insured:

- (i) the insurer shall identify and offer for settlement an amount sufficient to purchase a substantially similar vehicle, as provided in subparagraph (1)(ii) of this subdivision; or
- (ii) the insurer shall pay the insured the difference between the amount of its claim payment and the cost of a substantially similar vehicle, as provided in subparagraph (1)(ii) of this subdivision, located by the insured, or the insurer, upon consent of the insured, may purchase that vehicle for the insured.

The insurer shall not be required to take action under paragraph (4) of this subdivision if its documentation to the insured at the time of its final offer included written notification of the availability of a substantially similar vehicle, as provided in subparagraph (1)(ii) of this subdivision, which shall have been available for at least three calendar days subsequent to the insured's receipt of that offer. The documentation shall include the vehicle identification number, the stock number or order number.

<b>DOCUMENTATION OF VALUE TO OWNER</b>	The insurer shall provide to the insured, no later than the date of payment of the claim, a detailed copy of its calculation of the insured vehicle's total loss value, including the valuation of options which are not considered in the base price of the vehicle.
<b>SALES TAXES AND FEES</b>	<p>Actual cash value, unless otherwise specifically defined by law or policy, means the lesser of the amounts for which the claimant can reasonably be expected to:</p> <p>(1) repair the property to its condition immediately prior to the loss; or</p> <p>(2) replace it with an item substantially identical to the item damaged. Such amount shall include all monies paid or payable as sales taxes on the item repaired or replaced.</p> <p>This shall not be construed to prevent an insurer from issuing a policy insuring against physical damage to property, where the amount of damages to be paid in the event of a total loss to the property is a specified dollar amount.</p>
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 75%</p> <p><u>Comments:</u> Cost for repair of vehicle made in 1973 or older is 75% or more of retail value prior to being damaged by a nationally recognized compilation of retail values.</p>

## North Carolina

<b>RESOURCES</b>	NC ST s 20-75; NC ST s 20-109.1; 11 NC ADC 4.0418; N.C.G.S.A. § 20-71.3(d)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>When the transferee of a vehicle registered under this Article is:</p> <p>(1) A dealer who is licensed under Article 12 of this Chapter and who holds the vehicle for resale; or</p> <p>(2) An insurance company taking the vehicle for sale or disposal for salvage purposes where the title is taken as a part of a bona fide claim settlement transaction and only for the purpose of resale, the transferee shall not be required to register the vehicle nor forward the certificate of title to the Division as provided in G.S. 20-73.</p> <p>To assign or transfer title or interest in the vehicle, the dealer or insurance company shall execute, in the presence of a person authorized to administer oaths, a reassignment and warranty of title on the reverse of the certificate of title in the form approved by the Division, which shall include the name and address of the transferee. The title to the vehicle shall not pass or vest until the reassignment is executed and the motor vehicle delivered to the transferee. The title to a salvage vehicle shall be forwarded to the Division as provided in NC ST s 20-109.1.</p> <p>(a) Option to Keep Title - When a vehicle is damaged to the extent that it becomes a salvage vehicle and the owner submits a claim for the damages to an insurer, the insurer must determine whether the owner wants to keep the vehicle after payment of the claim. If the owner does not want to keep the vehicle after payment of the claim, the procedures in subsection (b) of this section apply. If the owner wants to keep the vehicle after payment of the claim, the procedures in subsection (c) of this section apply.</p> <p>(b) Transfer to Insurer - If a salvage vehicle owner does not want to keep the vehicle, the owner must assign the vehicle's certificate of title to the insurer when the insurer pays the claim. The insurer must send the assigned title to the Division within 10 days after receiving it from the vehicle owner. The Division must then send the insurer a form to use to transfer title to the vehicle from the insurer to a person who buys the vehicle from the insurer. If the insurer sells the vehicle, the insurer must complete the form and give it to the buyer. If the buyer rebuilds the vehicle, the buyer may apply for a new certificate of title to the vehicle.</p> <p>(c) Owner Keeps Vehicle - If a salvage vehicle owner wants to keep the vehicle, the insurer must give the owner an owner-retained salvage form. The owner must complete the form and give it to the insurer when the insurer pays the claim. The owner's signature on the owner-retained salvage form must be notarized. The insurer must send the completed form to the Division within 10 days after receiving it from the vehicle owner. The Division must then note in its vehicle registration records that the vehicle listed on the form is a salvage vehicle.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>If the insurer and the claimant are initially unable to reach an agreement as to the value of the vehicle, the insurer shall base any further settlement offer not only on published regional average values of similar vehicles, but also on the value of the vehicle in the local market. Local market value shall be determined by using either the local market price of a comparable vehicle or, if no comparable vehicle can be found, quotations from at least two qualified dealers within the local market area. Additionally, if the claimant represents that the vehicle actually owned by him was in better than average condition, the insurer shall give due consideration to the condition of the claimant's vehicle prior to the accident.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision

<b>DOCUMENTATION OF VALUE TO OWNER</b>	If a written statement is requested by the claimant, a total loss payment by an insurer shall be accompanied by a written statement listing the estimates, evaluations and deductions used in calculating the payment, if any, and the source of these values.
<b>SALES TAXES AND FEES</b>	No provision
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 75%</p> <p><u>Comments:</u> Cost for vehicle repair is 75% or more of its fair market value prior to being damaged.</p>

DCI Solution

## North Dakota

<b>RESOURCES</b>	ND ST 39-05-20.2; ND ST 57-40.3-01
<b>SALVAGE TITLING REQUIREMENTS</b>	The owner of a vehicle that is damaged in excess of 75 percent of the vehicle's retail value as determined by the National Automobile Dealers Association Official Used Car Guide shall forward the title for that vehicle to the department within 10 days and the department shall issue a salvage certificate of title. Glass damage and hail damage must be excluded in the determination of whether a vehicle has been damaged in excess of 75 percent of the vehicle's retail value.
<b>VALUATION METHODS PERMITTED</b>	National Automobile Dealers Association Official Used Car Guide ND ST 39-05-20.2 (Note: this is the method for determining whether or not a salvage title is required, but the insurance regulations and statutes are silent on valuation methods for determining the settlement value for a total loss. Numerous insurers use computerized valuation providers for total loss settlements in ND)
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	If a motor vehicle is purchased by an owner who has had a motor vehicle stolen or totally destroyed, a credit or trade-in credit shall be allowed against one or more replacement motor vehicle purchases in a cumulative amount not to exceed the total amount the purchaser has been compensated by an insurance company for the loss but not to exceed the total amount of motor vehicle excise tax paid. The purchaser must provide the director of the department of transportation with a notarized statement from the insurance company within three years from the date of issuance verifying the fact that the original vehicle was a total loss and stating the amount compensated by the insurance company for the loss. The statement from the insurance company must accompany the purchaser's application for a certificate of title for the replacement vehicle. If the full amount of the credit under this subsection has not been used, the director of the department of transportation shall record on the face of the notarized statement the necessary information to identify the partial use of the credit and shall retain a copy and return the original to the purchaser.
<b>TOTAL LOSS THRESHOLD</b>	<u>Rule:</u> 75%  <u>Comments:</u> Vehicle damage exceeds 75% of retail value of vehicle determined by NADA. Glass and hail damage are excluded.

## Ohio

<b>RESOURCES</b>	OH ST s 4505.11; OH ADC 3901-1-54
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>When an insurance company declares it economically impractical to repair a motor vehicle and has paid an agreed price for the purchase of the motor vehicle to any insured or claimant owner, the insurance company shall receive the certificate of title and the motor vehicle and proceed as follows: Within 30 days, the insurance company shall deliver the certificate of title to a clerk of a court of common pleas and shall make application for a salvage certificate of title. The clerk shall issue the salvage certificate of title on a form, prescribed by the registrar, that shall be easily distinguishable from the original certificate of title and shall bear the same information as the original certificate of title, except that it may bear a different number than that of the original certificate of title. Except as provided in division (C)(2) of this section, the salvage certificate of title shall be assigned by the insurance company to a salvage dealer or any other person for use as evidence of ownership upon the sale or other disposition of the motor vehicle, and the salvage certificate of title shall be transferable to any other person. The clerk shall charge a fee of \$4 for the cost of processing each salvage certificate of title.</p> <p>If an insurance company declares it economically impractical to repair a motor vehicle, agrees to pay to the insured or claimant owner an amount in settlement of a claim against a policy of motor vehicle insurance covering the motor vehicle, and agrees to permit the insured or claimant owner to retain possession of the motor vehicle, the insurance company shall not pay the insured or claimant owner any amount in settlement of the insurance claim until the owner obtains a salvage certificate of title to the vehicle and furnishes a copy of the salvage certificate of title to the insurance company.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>The settlement value may be derived from:</p> <ul style="list-style-type: none"> <li>(a) The average cost of two or more comparable automobiles in the local market area if comparable automobiles are or were available to consumers within the last 90 days; or</li> <li>(b) The average cost of two or more comparable automobiles in areas proximate to the local market area, including the closest in-state or out-of-state major metropolitan areas. If comparable automobiles are or were available to consumers within the last 90 days when comparable automobiles are not available pursuant to paragraph (H)(7)(a) of this rule; or</li> <li>(c) The average of two or more quotations obtained by the insurer from two or more licensed dealers located within the local market area if comparable automobiles are not available pursuant to paragraphs (H)(7)(a) and (H)(7)(b) of this rule; or</li> <li>(d) The cost as determined from a generally recognized used motor vehicle industry source such as: <ul style="list-style-type: none"> <li>(i) An electronic database if the pertinent portions of the valuation documents generated by the database are provided by the insurer to the claimant upon request; or;</li> <li>(ii) A guidebook that is generally available to the general public if the insurer identifies the guidebook used as the basis for the cost to the claimant upon request; and</li> <li>(iii) to which appropriate adjustments for condition, mileage and major options are made and documented in the claim file.</li> </ul> </li> <li>(e) Any method or source chosen as specified in paragraph (H)(7)(d) of this rule shall be used consistently over a period of time by the insurer.</li> </ul>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision

<b>DOCUMENTATION OF VALUE TO OWNER</b>	When partial losses will be settled on the basis of a written estimate prepared by or for an insurer, the insurer shall supply the claimant a copy of the estimate upon which the proposed settlement is based.
<b>SALES TAXES AND FEES</b>	The insurer is responsible for all applicable taxes, license fees, and other fees incident to transfer of evidence of ownership of the automobile at no cost to claimant other than any deductible provided in the policy.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> Total Loss Formula (TLF): <math>\text{Cost of Repair} + \text{Salvage Value} &gt; \text{Actual Cash Value}</math>. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments:</u> Insurer determines if it is economically impractical to repair vehicle.</p>

DCI Solution

## Oklahoma

<b>RESOURCES</b>	OK ST T. 47 s 1111; OK ST T. 36 s 1250.8; OK ADC 365:15-3-8
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Any insurance company that pays a total loss on a claim for any vehicle including, but not limited to, a flood-damaged vehicle or recovered-theft vehicle, any junk dealer who receives a motor vehicle that is to be used for junk or for parts, or any other person permanently dismantling or junking a vehicle shall receive the certificate of title from the current holder of the certificate of title, shall detach the license plate from the vehicle, and shall return the license plate and the certificate of title to the Oklahoma Tax Commission or a motor license agent within 30 days from receipt of the certificate, or insurance companies may provide alternate documentation within 30 days pursuant to subsection P of Section 1105 of this title. The Tax Commission shall cancel the certificate of title to the vehicle used for junk or parts and shall preserve the vehicle identification numbers on the certificate of title in the computer files for at least five years. The Tax Commission shall transfer ownership of a stolen vehicle, not recovered from theft at the time of transfer, by salvage title to the insurer. The Tax Commission shall transfer ownership of a vehicle damaged by flooding or other occurrence to the insurer by an original title, salvage title, or junked title, as may be appropriate, based upon an estimate of the amount of loss submitted by the insurer. All license plates surrendered to the Tax Commission shall be destroyed. If the owner of the vehicle or other insured retains ownership of the damaged vehicle, the Tax Commission shall notify the owner or insured of the requirements of this section.</p> <p>When an insurance company makes a total loss settlement on a total loss vehicle and the insurance company or a salvage pool authorized by the insurance company is unable to obtain the properly endorsed certificate of ownership or other evidence of ownership acceptable to the Oklahoma Tax Commission within thirty (30) days following acceptance by the owner of an offer of an amount in settlement of a total loss, that insurance company or salvage pool, on a form provided by the Oklahoma Tax Commission and signed under penalty of perjury, may request the Oklahoma Tax Commission to issue the applicable salvage title for the vehicle. The request shall include information declaring that the requester has made at least two written attempts to obtain the certificate of ownership or other acceptable evidence of title.</p> <p>When an insurer requests a salvage or junk title in the name of the insurer resulting from the settlement of a total loss claim and upon presentation of appropriate proof of loss documentation as required by the Commission, such transfer may be processed as one title transaction, without first requiring issuance of a replacement certificate of title in the name of the vehicle owner. The fee shall be \$22.00. Two Dollars (\$2.00) of this fee shall be deposited in the Oklahoma Tax Commission Reimbursement Fund.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>"Fair market value" means the value of a vehicle as listed in the current National Auto Dealers Association guidebook or other similar guidebook or the actual cash value, whichever is greater. If an insurance policy or insurance contract provides for the adjustment and settlement of first party motor vehicle total losses, on the basis of actual cash value or replacement with another of like kind and quality, one of the following methods shall apply:</p> <ol style="list-style-type: none"> <li>1. An insurer may elect to offer a replacement motor vehicle which is a specific comparable motor vehicle available to the insured, with all applicable taxes, license fees, and other fees incident to the transfer of evidence of ownership of the motor vehicle paid, at no cost to the insured other than any deductible provided in the policy. The offer and any rejection thereof shall be documented in the claim file; or</li> </ol>

<p><b>RIGHTS OF RECOURSE TO OWNER</b></p>	<p>2. An insurer may elect a cash settlement based upon the actual cost, less any deductible provided in the policy, to purchase a comparable motor vehicle, including all applicable taxes, license fees and other fees incident to a transfer of evidence of ownership, or a comparable motor vehicle. Such cost may be determined by:</p> <p>a. the cost of a comparable motor vehicle in the local market area when a comparable motor vehicle is currently or recently available in the prior 90 days in the local market area,</p> <p>b. one of two or more quotations obtained by an insurer from two or more qualified dealers located within the local market area when a comparable motor vehicle is not available in the local market area, or c. the cost of a comparable motor vehicle as quoted in the latest edition of the National Automobile Dealers Association Official Used Car Guide or monthly edition of any other nationally recognized published guidebook.</p> <p>If a first party motor vehicle total loss is settled on a basis which deviates from the methods described in subsection A of this section, the deviation shall be supported by documentation giving particulars of the condition of the motor vehicle. Any deductions from such cost, including, but not limited to, deduction for salvage, shall be measurable, discernible, itemized, and specified as to dollar amount and shall be appropriate in amount. The basis for such settlement shall be fully explained to a first party claimant.</p> <p>No provision</p>
<p><b>DOCUMENTATION OF VALUE TO OWNER</b></p>	<p>The insurer shall give a copy of the estimate to the claimant and may furnish to the claimant, the names of one or more conveniently located repair shops, if requested by the claimant.</p>
<p><b>SALES TAXES AND FEES</b></p>	<p>The insurer is responsible for all applicable taxes, license fees, and other fees incident to transfer of evidence of ownership of the motor vehicle paid, at no cost other than any deductible provided in the policy.</p>
<p><b>TOTAL LOSS THRESHOLD</b></p>	<p><u>Rule:</u> 60%</p> <p><u>Comments:</u> Cost to repair damage to vehicle exceeds 60% of fair market value.</p>

## Oregon

<b>RESOURCES</b>	OR ST s 819.014; OR ADC 836-080-0240; OR ST s 742.558; OR ST s 742.554; O.R.S. § 801.527 (3)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>An insurer commits the offense of insurer failure to follow procedures for a totaled vehicle if the insurer declares that the vehicle is a totaled vehicle and does not:</p> <p>(a) Obtain the certificate of title from the owner of the vehicle as a condition of settlement of the claim and surrender it to the Department of Transportation within 30 days of its receipt; or</p> <p>(b) If the insurer does not obtain the certificate from the registered owner, notify the department that the vehicle is a totaled vehicle within 30 days of declaring it to be so, or taking title to or possession of it, and notify the registered owner of the vehicle that the registered owner must surrender the certificate to the department and must notify any subsequent purchaser that the vehicle is a totaled vehicle.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>The value of the automobile for purposes of a cash settlement may be based upon one of the following standards:</p> <p>(a) A valuation obtained from a computerized database source that produces statistically valid and fair market values for automobiles, on the basis of the following criteria:</p> <p>(A) The source shall produce values for at least 85 percent of all makes and models of private passenger automobiles for the last 15 model years;</p> <p>(B) The source shall rely upon values of vehicles that are currently available or were available within the last 90 days from the date of loss for all vehicles and shall apply appropriate standards of comparability;</p> <p>(C) For all vehicles of five model years or less of age, the values must be derived primarily from verifiable data or inventory from licensed dealers;</p> <p>(D) The source shall monitor the average retail price of private passenger automobiles when there is insufficient data or inventory from licensed dealers to ensure statistically valid market area values;</p> <p>(E) The source shall give primary consideration to the values of vehicles in the local market area and may consider data on vehicles outside the area; and</p> <p>(F) The source shall produce fair market values based on current data available from the area surrounding the location where the insured vehicle was principally garaged or a necessary expansion of parameters, such as time and area, to assure statistical validity.</p> <p>(b) The actual cost to purchase the automobile identified by the insurer as a replacement automobile that is at least comparable to the insured automobile as determined pursuant to section (2) of this rule, including all applicable taxes, license fees, and other fees incident to purchase of the automobile other than any deductible provided in the policy; or (c) An alternative that deviates from the methods described in subsections (a) and (b) of this section and is allowable under the policy, as long as documentation in the claim file supports the deviation and gives particulars of the pre-loss condition of the automobile. Any deductions from the cost, including deduction for salvage if the salvage is retained by the claimant, must be measurable, discernible, itemized, and specified as to dollar amount and must be appropriate in amount. The basis for such a settlement must be fully explained in writing, supplied to the claimant, and maintained in the claim file.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	If the insured notifies the insurer within 35 days of the receipt of the claim draft that the insured cannot purchase an automobile for the market value as determined in section (3) of this rule, the insurer shall reopen its claim file and the following procedures shall apply:

(a) The insurer may locate an automobile that is at least comparable to the insured automobile as determined pursuant to section (2) of this rule, and that is currently available for the market value determined by the insurer at the time of settlement;

(b) The insurer may either pay the insured the difference between the market value before applicable deductions and the cost of the comparable automobile of like kind and quality that the insured has located, or negotiate and effect the purchase of the automobile for the insured; (c) The insurer may elect to offer a replacement automobile in accordance with the provisions set forth in section (2) of this rule; or

(d) The insurer may conclude the loss settlement in the manner provided in the appraisal section of the insurance policy in force at the time of the loss. The insurer shall reimburse the insured for the reasonable appraisal costs.

The right of the insured to have a claim reopened applies only to first party claims of the insured under the policy. The insurer is not required to take action if its documentation to the insured at the time of settlement includes written notification of the availability and location of a specified automobile that is at least comparable to the insured automobile as determined pursuant to section (2) of this rule, that could have been purchased for the market value determined by the insurer before applicable deductions.

An insurer shall pay the insured or third-party owner of a motor vehicle the amount of the motor vehicle's value that is not in dispute if the insurer declares the motor vehicle a total loss and the insurer and the insured or third-party owner are unable to agree on the value of the motor vehicle. Acceptance of payment of the undisputed amount neither waives the rights of the insured or third party owner under the policy nor prevents the insured or third-party owner from pursuing a claim for additional amounts. Payment of the undisputed amount by the insurer does not waive any rights of the insurer under the policy. An insurer is not obligated to pay the undisputed amount until the insured or third-party owner of the motor vehicle:

(a) Agrees to execute documents sufficient to transfer ownership of the motor vehicle to the insurer; and

(b) Authorizes the insurer, at the insurer's expense, to move the motor vehicle to a disclosed location selected by the insurer, where the motor vehicle will remain available for inspection and evaluation for not fewer than 14 calendar days. After the expiration of the 14-day period, the insurer may proceed with the salvage sale of the motor vehicle.

**DOCUMENTATION OF VALUE TO OWNER**

The insurer or body shop shall give a copy of the written estimate to the claimant.

When an insurer declares a motor vehicle a total loss and offers to make a cash settlement to an insured or third-party owner of the motor vehicle, the insurer shall provide the insured or third party owner:

(1) Any valuation or appraisal reports relied upon by the insurer to determine value; and

(2) A written statement in a form provided by the Director of the Department of Consumer and Business Services that includes:

(a) Information about total loss, vehicle valuation, and the duties of the insurer; and

(b) The manner in which and under what circumstances the insured may contact the Insurance Division of the Department of Consumer and Business Services.

**SALES TAXES AND FEES**

The insurer is responsible for all applicable taxes, license fees, and other fees incident to the transfer of evidence of ownership of the automobile at no cost other than any deductible provided in the policy.

**TOTAL LOSS  
THRESHOLD**

Rule: 80%

Comments: Damage to vehicle is equal to or more than 80% of retail market value.

DCI Solution

## Pennsylvania

<b>RESOURCES</b>	PA ST 75 Pa.C.S.A. s 1161; 31 PA ADC s 62.3; 31 PA ADC s 146.8; 75 Pa. Cons. Stat. Ann. § 102
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>A person, including an insurer or self-insurer as defined in section 1702, who owns, possesses, or transfers a vehicle located or registered in this Commonwealth that qualifies as a salvage vehicle shall make application to the department for a certificate of salvage for that vehicle.</p> <p>An owner who transfers a vehicle to be destroyed or dismantled, salvaged, or recycled shall assign the certificate of title to the person to whom the vehicle is transferred. Except as provided in section 1163, the transferee shall immediately present the assigned certificate of title to the department or an authorized agent of the department with an application for a certificate of salvage upon a form furnished and prescribed by the department. An insurer to which title to a vehicle is assigned upon payment to the insured or claimant of the replacement value of a vehicle shall be regarded as a transferee under this subsection, and an assignment of title to an insurer under this subsection is exempt from the requirements of notarization and verification in section 1111 (a) (relating to transfer of ownership of vehicle). If an owner retains possession of a vehicle which is damaged to the extent that it qualifies for vehicle replacement payment, the owner shall apply for a certificate of salvage immediately. In this case, an insurer shall not pay vehicle replacement value until the owner produces evidence to the insurer that the certificate of salvage has been issued.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>Replacement value under the policy provisions covering the total loss of a motor vehicle including an unrecovered motor vehicle shall be determined by one of the following methods:</p> <p>(i) Guide source method. The appraiser shall calculate the average of two figures reflecting the retail book value of a vehicle of like kind and condition, as provided by guide sources approved by the Commissioner. A listing of approved guide sources will be published once a year in the Pennsylvania Bulletin. DCI Solution is an approved source. The appraised value shall be adjusted for equipment and mileage, less the cost of repair of damage which preexisted the accident in question. No other deductions may be taken except for salvage and then only if the owner elects to retain the vehicle.</p> <p>(ii) Actual cost method. The appraiser shall determine the actual cost of purchase of an available motor vehicle of like kind and quality in condition similar to or better than the motor vehicle being appraised in its pre-damaged condition. The appraiser shall specify, in writing, the location of the vehicle of like kind and quality.</p> <p>(iii) Dealer quotation method. The appraiser shall consult with dealers or other persons knowledgeable in the field to secure quotations as to the value of the motor vehicle being appraised. At least two quotations shall be secured. The figures thus secured shall be averaged.</p> <p>If the motor vehicle is listed in at least two guide sources approved by the Commissioner, the replacement value shall be calculated by the guide source method or by the actual cost method, as described in paragraph (1)(i) and (ii). If the actual cost method is used, and the owner of the damaged vehicle shows that the replacement vehicle is not of the same kind and quality, both calculations referenced in this paragraph shall be made, and the higher of the values obtained shall be offered in settlement.</p> <p>If the motor vehicle is not listed in at least two of the sources authorized by paragraph (1)(i), or if the vehicle differs materially from the average vehicle because of factors not considered in the guide sources, for example, antique or classic cars, vehicles no longer</p>

	manufactured and unique vehicles, the replacement value shall be calculated by the actual cost method or by the dealer quotation method, as described in paragraph (1) (ii) and (iii). If the dealer quotation method is used, both calculations referenced in this paragraph shall be made, and the higher of the values obtained shall be offered in settlement.
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	The insurer shall give a copy of the appraisal to the claimant and may furnish to the claimant, upon his unsolicited request, the names of two or more conveniently located repair shops.
<b>SALES TAXES AND FEES</b>	Applicable sales tax on the replacement cost of a motor vehicle shall be included as part of the replacement value.  Per Insurance Department, insurers are not required by regulation to pay transfer and license fees
<b>TOTAL LOSS THRESHOLD</b>	<u>Rule:</u> Total Loss Formula (TLF): Cost of Repair + Salvage Value > Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.  <u>Comments:</u> Extent of repairs to vehicle would exceed the value of the repaired vehicle. Doesn't include antique or classic cars.

## Rhode Island

<b>RESOURCES</b>	RI ST s 31-46-1; RI ST s 31-46-1.1; RI ST s 31-46-3; RI ADC 11-5-73:7
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Any insurance company taking possession of a motor vehicle for which a certificate of title has been issued in this state that has been declared a total loss because of damage to that vehicle, in settlement of a claim for damage or theft, shall within 10 days deliver to the Division of Motor Vehicles the certificate of title of that vehicle and obtain a salvage certificate of title for that vehicle.</p> <p>There shall be two classifications of salvage vehicles: Classification A indicates the vehicle has extensive damage and is good for "parts only." Classification B indicates the vehicle has considerable damage but is considered repairable. It will be the responsibility of insurance companies to evaluate and classify salvage. The classification is subject to review and evaluation by the administrator of the Division of Motor Vehicles or his designee.</p> <p>If the total cost of repairs to rebuild or reconstruct the motor vehicle to its condition immediately before it was wrecked, destroyed, or damaged, and for legal operations on the roads or highways, exceeds 75 percent of the fair market value of the motor vehicle immediately preceding the time it was wrecked, destroyed, or damaged, and the motor vehicle is less than seven years beyond the date of manufacture, the owner shall return within 10 days to the Division of Motor Vehicles, the certificate of title of that vehicle and obtain a salvage certificate of title for that vehicle as prescribed for by the administrator of the Division of Motor Vehicles.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>In determining the actual cash value of a motor vehicle to settle motor vehicle property damage liability and collision damage claims, insurers shall use as a guide the average retail values indicated by the National Automobile Dealers Association official Used Car Guide or some service substantially similar (with appropriate adjustment for such factors as vehicle condition, high and low mileage, accessory options). Nothing herein shall preclude a deviation from the guide in cases where it can be shown that the vehicle in question was of substantially greater or lesser value in a particular geographical location than the average retail values that the guide indicates.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	<p>If the insurer is notified by the claimant within 35 days of the receipt of the cash settlement that the claimant has located a replacement vehicle but that said replacement vehicle cannot be purchased for the amount paid to the claimant for the cash settlement, the insurer shall reopen its claim file and the following procedure(s) shall apply:</p> <p>(a) the insurer may either pay the claimant the difference between the cash settlement and the cost of the replacement vehicle (adjusted for betterment, if any) which has been located by the claimant; or</p> <p>(b) the insurer may locate a replacement vehicle as defined in section 7(a)1 above; or</p> <p>(c) if the claimant is a first party claimant, the insurer or insured may invoke the loss settlement procedure as defined and provided for under the appraisal section of the policy in force at the time of loss. This appraisal process shall be binding on both parties, but shall not preclude or waive any other rights either party has under the policy or at common law; or</p> <p>(d) the claimant may exercise his right to arbitration pursuant to R.I. Gen. Laws s 27-10.3-1.</p>
<b>DOCUMENTATION OF VALUE TO OWNER</b>	<p>If partial losses are settled on the basis of a written estimate, the insurer shall supply the claimant with a copy of the estimate.</p>

<b>SALES TAXES AND FEES</b>	No provision
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments:</u> Insurer decides if a vehicle is totaled, there are two classifications, A and B. A is the vehicle is good for parts only and B is the vehicle is repairable.</p>

DCI Solution

## South Carolina

<b>RESOURCES</b>	SC ST s 56-19-480; SC ST s 56-19-485
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>If a vehicle is acquired by an insurance company in settlement of a claim to the vehicle by fire, flood, collision, or other causes, or is left with the claimant after being declared a total loss by the insurance company, the company or its agent immediately shall deliver to the department the certificate of title together with a report indicating the type and severity of damage to the vehicle. At such time as the insurance company may thereafter transfer the damaged vehicle, the company or its agent shall notify the department to whom the transfer was made on a form prescribed by the department. Notwithstanding another provision of law, when an insurance company obtains title to a vehicle from settling a total loss claim, the insurance company may obtain a title to the vehicle designated as "salvage". The insurance company must pay the title fee contained in section 56-19-420.</p> <p>Notwithstanding the provisions of this section, the owner of a vehicle whose total cost of repair, including all labor and parts, is estimated to be 75 percent or more of the fair market value of the vehicle must provide the Department of Motor Vehicles an affidavit from a person who reconstructs or rebuilds a vehicle indicating the cost of repair along with other data the department may prescribe to obtain a certificate of title.</p>
<b>VALUATION METHODS PERMITTED</b>	A "wrecked vehicle", a "salvage vehicle", and a "vehicle declared to be a total loss" are all synonyms and are defined to be any motor vehicle that is damaged to the extent that the cost of repairing the motor vehicle, including both parts and reasonable market charges for labor, equal or exceed 75 percent of the fair market value of the motor vehicle. The provisions contained in this section do not apply to a motor vehicle that has a fair market value of two thousand dollars or less, or an antique motor vehicle as defined by Section 56-3-2210. When an insurance company is involved, the fair market value of the vehicle must be determined as of the date immediately before the event which gave rise to the claim.
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	No provision
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule</u>: 75%</p> <p><u>Comments</u>: Cost of repairing the vehicle exceeds 75% of the fair market value of the vehicle.</p>

## South Dakota

<b>RESOURCES</b>	SD ST s 32-3-51.20; SD ST s 32-3-51.21; S.D.C.L. § 32-3-51.19
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>If an insurer, in settlement of a total loss insurance claim, or self-insurer, acquires the ownership of any salvage vehicle as defined in section 32-3-51.19 that does not have a salvage vehicle title, the insurer shall within 30 days following acquisition of the certificate of title of that vehicle, surrender the certificate of title for such vehicle to the department. The department shall promptly issue a title indicating it is a salvage vehicle to the insurer or self-insurer.</p> <p>If an insurer or self-insurer declares a vehicle to be a total loss but does not acquire ownership of the vehicle, the owner shall obtain a salvage title for the vehicle. The insurer or self-insurer shall, in writing, notify the owner of the obligation to obtain a salvage title before the owner sells or transfers the title. If the owner sells or transfers the ownership of the vehicle without first obtaining a salvage title, the owner is guilty of a Class 1 misdemeanor. This section does not apply to any motor vehicle more than six model years old or with a gross vehicle weight rating of more than sixteen thousand pounds.</p>
<b>VALUATION METHODS PERMITTED</b>	No provision
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	No provision
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments:</u> Insurer or self-insurer determines a total loss.</p>

## Tennessee

<b>RESOURCES</b>	TN ST s 55-3-212; TN ST s 55-3-120; TN ST s 55-3-211; TN Bulletin 9-1-89 (#3)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>If an insurance company, pursuant to a damage settlement, acquires ownership of a passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle, nonrepairable vehicle, or flood vehicle, the insurance company either must notify the department electronically or on documents prescribed by the department for purposes of evidencing the insurance company in the ownership chain of title or, alternatively, must apply for a salvage title or nonrepairable vehicle certificate within 15 days after the title is properly assigned by the owner to the insurance company, and delivered to the insurance company with all liens released.</p> <p>If an insurance company does not assume ownership of its insured's passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the insurance company shall:</p> <p>(i) Notify the insured of the insured's obligation to apply for a salvage title or nonrepairable vehicle certificate for the passenger motor vehicle and notify the state passenger motor vehicle titling office that a salvage title or nonrepairable vehicle certificate should be issued for the vehicle; or</p> <p>(ii) Withhold payment of the claim until the insured applies for a salvage title or nonrepairable vehicle certificate.</p> <p>An insurance company that obtains title to a motor vehicle as a result of paying a total loss claim resulting from collision, fire, or water damage shall obtain a salvage title, flood title, or nonrepairable vehicle certificate from the department. The provisions of this subsection shall not apply to vehicles 10 years old or older with a value of \$1,500 or less.</p>
<b>VALUATION METHODS PERMITTED</b>	Retail value determined by a current edition of any nationally recognized compilation (to include automated databases) of retail values.
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	It is the Department's position that the amount of sales tax payable on the value of the damaged automobile at the time of loss is owed on all losses.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule</u>: 75%</p> <p><u>Comments</u>: Damage to vehicle equal to or more than 75% of retail market value as determined by current published retail costs.</p>

## Texas

<b>RESOURCES</b>	TX Transp s 501.1001; TX Transp s 501.1002; 34 TX ADC s 3.62; Tex. Transp. Code § 501.091 (15)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>An insurance company that is licensed to conduct business in this state and that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or nonrepairable motor vehicle covered by a certificate of title issued by this state or a manufacturer's certificate of origin shall surrender a properly assigned title or manufacturer's certificate of origin to the department, on a form prescribed by the department. For a salvage motor vehicle, the insurance company shall apply for a salvage vehicle title. For a nonrepairable motor vehicle, the insurance company shall apply for a nonrepairable vehicle title.</p> <p>If an insurance company pays a claim on a nonrepairable motor vehicle or salvage motor vehicle and the insurance company does not acquire ownership of the motor vehicle, the insurance company shall:</p> <p>(1) submit to the department, before the 31st day after the date of the payment of the claim, on the form prescribed by the department, a report stating that the insurance company:</p> <p>(A) has paid a claim on the motor vehicle; and</p> <p>(B) has not acquired ownership of the motor vehicle; and</p> <p>(2) provide notice to the owner of the motor vehicle of:</p> <p>(A) the report required under Subdivision (1); and</p> <p>(B) the requirements for operation or transfer of ownership of the motor vehicle under Subsection (b).</p>
<b>VALUATION METHODS PERMITTED</b>	No provision
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	The motor vehicle sales and use tax is not due where an insurance company takes title to a motor vehicle as a result of a total loss settlement or a stolen vehicle which was later recovered, because the transaction in which an insurance company obtains title to a motor vehicle in return for an insurance settlement is not considered a sale. The motor vehicle sales and use tax is due when the insurance company purchases a replacement motor vehicle for the insured on a total loss or stolen vehicle claim.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 100%</p> <p><u>Comments:</u> If total cost of repairs exceeds ACV of vehicle then it is a salvage vehicle.</p>

## Utah

<b>RESOURCES</b>	UT ST s 41-1a-1005; UT ADC R590-190; UT Bulletin 2009-4
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>If an insurance company declares a vehicle a salvage vehicle and takes possession of the vehicle for disposal, or an insurance company pays off the owner of a vehicle that is stolen and not recovered, the insurance company shall, within 10 days from the settlement of the loss, surrender to the division the outstanding certificate of title, properly endorsed, or other evidence of ownership acceptable to the division. The division shall then issue a salvage certificate in the insurance company's name.</p> <p>If the owner of a salvage vehicle retains possession of the vehicle, the insurance company shall within 10 days from the settlement of the loss notify the division of the retention on a form prescribed by the division. The insurance company shall notify the owner of the vehicle of his responsibility to comply with this section. The owner shall within 10 days from the settlement of the loss surrender to the division the properly endorsed certificate of title or other evidence of ownership acceptable to the division. The division shall then issue a salvage certificate in the owner's name.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>Such cost may be determined by using:</p> <ul style="list-style-type: none"> <li>(i) the cost of two or more comparable automobiles in the local market area when a comparable automobile is available or was available within the last 90- days to consumers in the local market area;</li> <li>(ii) the cost of two or more comparable automobiles in areas proximate to the local market area, including the closest major metropolitan areas within or without the state, that are available or were available within the last 90-days to consumers when comparable automobiles are not available in the local market area pursuant to Subsection R590-190-11.(1)(b)(i);</li> <li>(iii) one of two or more quotations obtained by the insurer from two or more qualified dealers located within the local market area when a comparable automobile is not available in the local market area; or</li> <li>(iv) any source of determining statistically valid fair market values that meet all of the following criteria: <ul style="list-style-type: none"> <li>(A) the source shall give primary consideration to the values of vehicles in the local market area and may consider data on vehicles outside the area;</li> <li>(B) the source's database shall produce values for at least 85 percent of the makes and models for the last 15 model years, taking into account the values of all major options for such vehicles; and</li> <li>(C) the source shall produce fair market values based on current data available from the area surrounding the location where the insured vehicle was principally garaged or a necessary expansion of parameters, such as time and area, to assure statistical validity.</li> </ul> </li> </ul> <p>When a first party claimant automobile total loss is settled on a basis which deviates from the methods described in Subsections R590-190-11.(1)(a) and (b), the deviation must be supported by documentation giving particulars of the automobile condition. Any deductions from such cost, including deductions for salvage, must be measurable, itemized, and specified as to dollar amount and shall be appropriate in amount. The basis for such settlement shall be fully explained to the first party claimant.</p>

<b>RIGHTS OF RECOURSE TO OWNER</b>	<p>If the insurer is notified within 30-days of the receipt of the claim draft that the first party claimant cannot purchase a comparable vehicle for such market value, the company shall reopen its claim file and the following procedure(s) shall apply:</p> <p>(A) the company may locate a comparable vehicle by the same manufacturer, same year, similar body style and similar options and price range for the insured for the market value determined by the company at the time of settlement. Any such vehicle must be available through licensed dealers or private sellers;</p> <p>(B) the company shall either pay the difference between market value before applicable deductions and the cost of the comparable vehicle of like kind and quality which the insured has located, or negotiate and effect the purchase of this vehicle for the insured;</p> <p>(C) the company may elect to offer a replacement in accordance with the provisions set forth in Subsection R590-190-11.(1)(a); or</p> <p>(D) the company may conclude the loss settlement as provided for under the appraisal section of the insurance contract in force at the time of the loss. The company is not required to take action under this subsection if its documentation to the first party claimant, at the time of settlement, included written notification of the availability and location of a specified and comparable vehicle of the same manufacturer, same year, similar body style and similar options in as good or better condition as the total loss vehicle which could be purchased for the market value determined by the company before applicable deductions.</p>
<b>DOCUMENTATION OF VALUE TO OWNER</b>	<p>If the insurer prepares an estimate, it shall give a copy of the estimate to the claimant and may furnish to the claimant the names of one or more conveniently located repair shops.</p>
<b>SALES TAXES AND FEES</b>	<p>The insurer is responsible for all applicable taxes, license fees, and other fees incident to transfer of evidence of ownership of the automobile paid, at no cost other than any deductible provided in the policy.</p> <p>The amounts offered for fees and taxes need to be reflected separately, preferably itemized, and added to the actual cash value so as to provide the claimant with the ability to ascertain how the settlement offer was determined.</p>
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> Total Loss Formula (TLF): <math>\text{Cost of Repair} + \text{Salvage Value} &gt; \text{Actual Cash Value}</math>. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments:</u> Insurer makes decision whether a vehicle is declared a non-repairable vehicle. Or, two or more major components suffer major damage.</p>

## Vermont

<b>RESOURCES</b>	VT ST T. 23 s 2091; VT ADC 4-3-7:8, VT Bulletin 162; Vt. Stat. Ann. Tit. 23, § 2001(14)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Except for vehicles for which no certificate of title is required pursuant to section 2012 of this title and for vehicles that are more than 15 years old, any person who purchases or in any manner acquires a vehicle as salvage, who scraps, dismantles, or destroys a motor vehicle or any insurance company or representative thereof who declares a motor vehicle to be a total loss shall make application for a salvage certificate of title within 15 days of the time the vehicle is purchased or otherwise acquired as salvage, scrapped, dismantled, or destroyed or declared a total loss. Such application shall be accompanied by:</p> <p>(1) any certificate of title; and</p> <p>(2) any other information or documents that the commissioner may reasonably require to establish ownership of the vehicle and the existence or nonexistence of any security interest in the vehicle.</p> <p>This section shall not apply to, and salvage certificates shall not be required for, unrecovered stolen vehicles or vehicles stolen and recovered in an undamaged condition, provided that the original vehicle identification number plate has not been removed, altered, or destroyed and the number thereon is identical with that on the original title certificate.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>Insurer may offer a cash settlement based upon published automobile price guides, less any deductible provided in the policy. Items of equipment not listed in the price guides shall be given appropriate value, which shall be in addition to the retail value listed in the price guides. The value so determined shall be adjusted to reflect:</p> <p>(a) the cost of a comparable motor vehicle in the local market area when one is available in that area, or</p> <p>(b) Quotations obtained by insurer from two or more qualified dealers located within local market area when a comparable motor vehicle is not available in that area.</p> <p>(c) Such costs as, but not limited to, reconditioning and tune up shall not be deducted by insurer, unless such deductions are justified and detailed as a result of actual inspection by licensed adjuster or appraiser.</p> <p>(d) When a motor vehicle total loss is settled on a basis which deviates from the methods described in subsections 3.(a), (b) and (c) of this section, the deviation must be supported by documentation giving particulars of the motor vehicle's condition. Any deductions from such value, including deduction for salvage, must be measurable, discernible, itemized, and specified as to dollar amount and shall be appropriate in amount and fully explained to claimant.</p>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	If requested, insurer shall furnish claimant a copy of the completed appraisal or estimate specifying all deductions.
<b>SALES TAXES AND FEES</b>	The insurer is responsible for all applicable taxes, registration fees, and other fees incident to transfer of evidence of ownership of the motor vehicle paid, at no cost to claimant other than any deductible provided in the policy.
<b>TOTAL LOSS THRESHOLD</b>	<u>Rule:</u> Total Loss Formula (TLF): Cost of Repair + Salvage Value > Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.

Comments: Insurer makes decision whether a vehicle (less than 10-years-old) is declared a total loss.

DCI Solution

## Virginia

<b>RESOURCES</b>	VA ST s 46.2-1602.1, VA ST s 46.2-1603.2; VA ST s 46.2-1600; VA ST s 8.01-419.1; 14 VA ADC 5-400-80
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>Every insurance company that acquires, as a result of the claims process, any late model vehicle titled in the Commonwealth or any recovered stolen vehicle whose estimated cost of repair exceeds 75 percent of its actual cash value shall apply to and obtain from the department either</p> <ul style="list-style-type: none"> <li>(i) a salvage certificate or certificate of title as provided in section 46.2-1603 or</li> <li>(ii) a nonrepairable certificate as provided in section 46.2-1603.2 for each such vehicle.</li> </ul> <p>An insurance company may apply to and obtain from the department either a salvage certificate as provided in section 46.2-1603 or a nonrepairable certificate as provided in section 46.2-1603.2 for any other vehicle that is determined to be either a salvage vehicle or a nonrepairable vehicle.</p> <p>Every insurance company or its authorized agent shall apply to the Department and obtain a nonrepairable certificate for each vehicle acquired by the insurance company as a result of the claims process if such vehicle is titled in the Commonwealth and is</p> <ul style="list-style-type: none"> <li>(i) a late model nonrepairable vehicle or</li> <li>(ii) a stolen vehicle that has been recovered and determined to be a nonrepairable vehicle.</li> </ul> <p>The application shall be accompanied by the vehicle's title certificate or salvage certificate and shall contain a description of the damage to the nonrepairable vehicle. Application for the nonrepairable certificate shall be made within 15 days after payment has been made to the owner, lienholder, or both.</p> <p>Every insurance company or its authorized agent shall notify the Department of each late model vehicle titled in the Commonwealth upon which a claim has been paid if such vehicle is a nonrepairable vehicle that is retained by its owner.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>"Actual cash value," as applied to a vehicle, means the retail cash value of the vehicle prior to damage as determined, using recognized evaluation sources, either</p> <ul style="list-style-type: none"> <li>(i) by an insurance company responsible for paying a claim or</li> <li>(ii) if no insurance company is responsible therefore, by the Department.</li> </ul> <p>"Current salvage value," as applied to a vehicle, means</p> <ul style="list-style-type: none"> <li>(i) the salvage value of the vehicle, as determined by the insurer responsible for paying the claim</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>(ii) if no insurance company is responsible therefore, 25 percent of the actual cash value.</li> </ul> <p>Whenever in any case not otherwise specifically provided for the value of an automobile is in issue, either civilly or criminally, the tabulated retail values set forth in the National Automobile Dealers' Association (NADA) "yellow" or "black" books or any vehicle valuation service regularly used and recognized in the automobile industry that is in effect on the relevant date, shall be admissible as evidence of fair market value on the relevant date.</p> <p>The determination of value shall be subject to such other creditable evidence as any party may offer to demonstrate that the value as set forth in the NADA publication or any</p>

	vehicle valuation service utilized by another party fails to reflect the actual condition of the vehicle and that therefore the value may be greater or less than that shown by the NADA publication or any vehicle valuation service.
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	The insurer shall give a copy of the estimate to the claimant and may furnish to the claimant the names of one or more conveniently located qualified repair shops.
<b>SALES TAXES AND FEES</b>	<p>If we pay for loss in money, our payment will include:</p> <ol style="list-style-type: none"> <li>1. The applicable state and local sales and use taxes for the damaged or stolen property at the time of loss; and</li> <li>2. Any applicable titling and license transfer fees incurred in obtaining a replacement vehicle in the event of a total loss to a 'your covered auto' or a 'non-owned auto'; in addition to our limit of liability. In the event of a total loss to a 'your covered auto' or a 'non-owned auto', we will satisfy any applicable salvage or disposal charges in addition to our payment. VA Ins Order 11607 Per Bureau of Insurance, insurer is responsible for sales and use taxes and incurred fees when insured retains possession of totaled vehicle.</li> </ol>
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 75%</p> <p><u>Comments:</u> Cost to repair late model vehicle exceeds 75% of ACV prior to vehicle being damaged, then vehicle is issued a non-repairable certificate or a salvage certificate.</p>

## Washington

<b>RESOURCES</b>	WA ST 46.12.600; WA ADC 284-30-391; R.C.W.A. § 46.04.514
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>The insurance company shall report the destruction or total loss of vehicles issued a certificate of title or registration certificate to the department within 15 days after the settlement claim. The report must be submitted regardless of where or in what jurisdiction the total loss occurred. An insurer shall report total loss vehicles to the department in any of the following manners:</p> <p>(a) Electronically through the department's online reporting system. An insurer choosing this option must immediately destroy ownership documents after filing the electronic report;</p> <p>(b) Submitting the certificate of title or affidavit in lieu of title marked "DESTROYED." The insurer's name, address, and the date of loss must be clearly shown on the certificate of title or affidavit in lieu of title; or</p> <p>(c) Submitting a properly completed total loss claim settlement form provided by the department.</p> <p>The registered owner, legal owner, or insurer reporting the destruction or total loss of a motor vehicle six years old or older must include a statement on whether the fair market value of the motor vehicle immediately before its destruction was at least equal to the market value threshold. The age of the motor vehicle is determined by subtracting the model year from the current calendar year.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>Unless an agreed value is reached, the insurer must adjust and settle vehicle total losses using the methods set forth in subsections (1) through (3) of this section.</p> <p>(1) Replacing the loss vehicle: The insurer may settle a total loss claim by offering to replace the loss vehicle with a comparable motor vehicle that is available for inspection within a reasonable distance from where the loss vehicle is principally garaged.</p> <p>(2) Cash settlement: The insurer may settle a total loss claim by offering a cash settlement based on the actual cash value of a comparable motor vehicle, less any applicable deductible provided for in the policy.</p> <p>(a) Only a vehicle identified as a comparable motor vehicle may be used to determine the actual cash value.</p> <p>(b) The insurer must determine the actual cash value of the loss vehicle by using any one or more of the following methods:</p> <p>(i) Comparable motor vehicle: The actual cash value of a comparable motor vehicle based on current data obtained in the area where the loss vehicle is principally garaged.</p> <p>(ii) Licensed dealer quotes: Quotations for the cost of a comparable motor vehicle obtained from two or more licensed dealers within a reasonable distance of the principally garaged area not to exceed one hundred fifty miles (except where there are no licensed dealers having comparable motor vehicles within one hundred fifty miles).</p> <p>(iii) Advertised data comparison: The actual cash value of two or more comparable motor vehicles advertised for sale in the local media if the advertisements meet the definition of current data as defined in WAC 284-30-320(4). The vehicles must be located within a reasonable distance of the principally garaged area not to exceed one hundred fifty miles.</p>

(iv) Computerized source: The insurer may use a computerized source to establish a statistically valid actual cash value of the loss vehicle. The source used must meet all of the following criteria:

(A) The source's data base must produce values for at least eighty-five percent of all makes and models for a minimum of fifteen years taking into account the values of all major options for such motor vehicles.

(B) The source must produce actual cash values based on current data within a reasonable distance of the principally garaged area, not to exceed one hundred fifty miles.

(C) The source must rely upon the actual cash value of comparable motor vehicles that are currently available or were available in the market place within ninety days prior to or after the date of loss.

(D) The source must provide a list of comparable motor vehicles used to determine the actual cash value. If more than thirty comparable motor vehicles are located, the insurer need list only thirty but may list more.

(v) Cash settlement search area: If none of the methods in subsection (2)(b)(i) through (iv) of this section produce a comparable motor vehicle to establish an actual cash value within a reasonable distance of the principally garaged area, the search area may be expanded in increasing circles of twenty-five mile increments, up to one hundred and fifty miles, until two or more comparable motor vehicles are located. If no comparable motor vehicles can be located within one hundred fifty miles, the search area may be expanded with the agreement of the first party claimant.

(3) Appraisal: If the first party claimant and the insurer fail to agree on the actual cash value of the loss vehicle and the insurance policy has an appraisal provision, either the insurer or the first party claimant may invoke the appraisal provision of the policy to resolve disputes concerning the actual cash value.

**RIGHTS OF RECOURSE  
TO OWNER**

The insurer must reopen the claim file if within the first 35 days after the date final payment is sent to the first party claimant, lienholder, or both, the claimant is not able to purchase a comparable motor vehicle for the agreed amount but was able to locate, but did not purchase, a comparable motor vehicle that costs more than the agreed settlement amount.

If the claimant has satisfied the above, and if the appraisal section of the policy has not been utilized, the insurer must do one of the following:

(i) Locate a comparable motor vehicle that is currently available for the agreed settlement amount;

(ii) Pay the claimant the difference between the agreed settlement amount and the cost of the comparable motor vehicle;

(iii) Purchase the comparable motor vehicle for the claimant; or

(iv) Conclude the loss settlement in the manner provided in the appraisal section of the insurance policy in force at the time of the loss.

The insurer is not required to reopen the claim file if:

(i) The claimant received written notification of the location of a specific comparable motor vehicle available for purchase for the agreed settlement amount and the claimant did not purchase this vehicle within five business days after the date final payment is sent to the claimant, lienholder, or both; or

(ii) The appraisal provision was previously exercised.

<b>DOCUMENTATION OF VALUE TO OWNER</b>	The insurer must provide a true and accurate copy of any "valuation report" if requested.
<b>SALES TAXES AND FEES</b>	As part of the settlement amount, the insurer must include all applicable government taxes and fees that would have been incurred by the claimant if the claimant had purchased the loss vehicle immediately prior to the loss. These taxes and fees must be included in the settlement amount whether or not the claimant retains or subsequently transfers ownership of the loss vehicle.
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule</u>: Total Loss Formula (TLF): Cost of Repair + Salvage Value &gt; Actual Cash Value. If the sum of the first two quantities is greater than the ACV, the car can be declared a total loss.</p> <p><u>Comments</u>: Insurer determines whether cost of parts and labor plus salvage value has made it uneconomical to repair and vehicle must be more than six-years-old.</p>

## West Virginia

<b>RESOURCES</b>	WV ST s 17A-4-10; WV ADC s 114-14-7
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>In the event a motor vehicle is determined to be a total loss or otherwise designated as totaled by an insurance company or insurer, and upon payment of a total loss claim to any insured or claimant owner for the purchase of the vehicle, the insurance company or the insurer, as a condition of the payment, shall require the owner to surrender the certificate of title: Provided, That an insured or claimant owner may choose to retain physical possession and ownership of a total loss vehicle. If the vehicle owner chooses to retain the vehicle and the vehicle has not been determined to be a cosmetic total loss, the insurance company or insurer shall also require the owner to surrender the vehicle registration certificate. The term "total loss" means a motor vehicle that has sustained damages equivalent to 75 percent or more of the market value as determined by a nationally accepted used car value guide or meets the definition of a flood-damaged vehicle as defined in this section.</p> <p>The insurance company or insurer shall, prior to the payment of the total loss claim, determine if the vehicle is repairable, cosmetically damaged, or nonrepairable. Within 10 days of payment of the total loss claim, the insurance company or insurer shall surrender the certificate of title, a copy of the claim settlement, a completed application on a form prescribed by the commissioner, and the registration certificate if the owner has chosen to keep the vehicle to the Division of Motor Vehicles.</p> <p>If the insurance company or insurer determines that the vehicle is repairable, the division shall issue a salvage certificate, on a form prescribed by the commissioner, in the name of the insurance company, the insurer or the vehicle owner if the owner has chosen to retain the vehicle. The certificate shall contain on the reverse thereof spaces for one successive assignment before a new certificate at an additional fee is required. Upon the sale of the vehicle, the insurance company, insurer or the vehicle owner if the owner has chosen to retain the vehicle shall complete the assignment of ownership on the salvage certificate and deliver it to the purchaser. The vehicle shall not be titled or registered for operation on the streets or highways of this state unless there is compliance with subsection (g) of this section. The division shall charge a fee of \$15 for each salvage title issued.</p>
<b>VALUATION METHODS PERMITTED</b>	<p>If the insurer elects to make a cash settlement:</p> <ol style="list-style-type: none"> <li>1. It must use the most recent version of an "Official Used Car Guide" approved by the Commissioner and uniformly and regularly used by the company, as a guide for setting the minimum value of the motor vehicle which is the subject of the claim. Any deviation downward from the guide's retail valuation must be supported by documentation that gives detailed information about the vehicle's condition, and any deductions must be measurable, discernible, itemized and specified concerning dollar amount, and they shall be appropriate in amount. This documentation must be maintained in the claim file;</li> <li>2. If the retail value of the specific motor vehicle is not contained in the most recent version of an "Official Used Car Guide" approved by the Commissioner and which is used uniformly and regularly by the company, the company must secure dealer quotations on the retail value of similar vehicles and base the settlement upon them. The offer must enable the insured to purchase the substantially similar vehicle for the cash settlement and any deviation from this practice must be supported by documentation giving particular information about the motor vehicle's condition. The documentation and the source of the dealer quotations must be maintained in the claim file.</li> </ol>
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision

<p><b>DOCUMENTATION OF VALUE TO OWNER</b></p>	<p>The insurer shall give a copy of the estimate to the insured and may furnish to the insured the names of one or more conveniently located repair shops that will perform the repairs for the amount tendered in settlement of the claim.</p> <p>The company shall provide a reasonable written explanation to the concerned parties when cash settlement offers are made. The explanation must specify the dollar amount of the base figure and identify the actual source. Any additions or subtractions from the base dollar figure must be identified and explained.</p>
<p><b>SALES TAXES AND FEES</b></p>	<p>In addition to any cash settlement value agreed to by the claimant, there must be added an amount equal to 5 percent of such cash settlement value, as reimbursement to the claimant for the excise tax imposed by the state.</p>
<p><b>TOTAL LOSS THRESHOLD</b></p>	<p><u>Rule:</u> 75%</p> <p><u>Comments:</u> Cost to repair vehicle is greater than 75% of market value determined by a nationally accepted used car value guide.</p>

## Wisconsin

<b>RESOURCES</b>	WI ST 342.15; WI ST 342.065; WI ST 340.01; Wis. Stat. § 342.06(1)(hr)
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>If an owner transfers his interest in a salvage vehicle, the owner shall at the time of the delivery of the vehicle execute an assignment and warranty of title to the transferee in the space provided therefore on the certificate, and the owner or person in possession of the certificate, as shown by the records of the department, shall cause the certificate to be mailed or delivered to the transferee.</p> <p>The transferee shall, promptly after delivery to him of the vehicle, execute the application for a new certificate of title in the space provided on the certificate or as the department prescribes, and deliver or mail the certificate and application to the department.</p> <p>Any transferee of a vehicle that fails to make application for a new certificate of title immediately upon transfer to him of a vehicle may be required to forfeit not more than \$200. A certificate is considered to have been applied for when the application accompanied by the required fee has been delivered to the department or deposited in the mail properly addressed with postage prepaid.</p> <p>If the interest of an owner in a vehicle that is titled in this state is not transferred upon payment of an insurance claim that, including any deductible amounts, exceeds 70 percent of the fair market value of the vehicle, any insurer of the vehicle shall, within 30 days of payment of the insurance claim, notify the department in writing of the claim payment and that the vehicle meets the statutory definition of a salvage vehicle, in the manner and form prescribed by the department. Upon notification from an insurer, the department shall promptly notify the owner of the salvage vehicle that he is required to apply for a salvage vehicle certificate of title.</p>
<b>VALUATION METHODS PERMITTED</b>	"Fair market value" means the value of a vehicle that takes into account the condition of the vehicle immediately before the damage occurred and which has been determined by reliable sources generally accepted within the automotive and insurance industries, limited to price guidebooks, dealer quotations, computerized valuation services, and other methods which may be prescribed by the department.
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	No provision
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule:</u> 70%</p> <p><u>Comments:</u> Damage exceeding 70% of fair market value will render vehicle less than seven model years old a salvage vehicle. This only applies if "If the vehicle is less than 7-years-old, is damaged by collision or other occurrence to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 30% of its fair market value and was transferred to an insurer upon payment of an insurance claim."</p>

## Wyoming

<b>RESOURCES</b>	WY ST s 31-2-107; WY ST s 31-2-106
<b>SALVAGE TITLING REQUIREMENTS</b>	<p>When a motor vehicle is declared a total loss by the insurance company or, in the event an insurance company is not involved in the settlement of the claim, sustains damage in an amount exceeding 75 percent of its actual retail cash value, as set forth in any current edition of a nationally recognized automotive appraisal guide or other source approved by the Wyoming Insurance Department, the owner or insurance company, if it obtains ownership of the vehicle through transfer of title as a result of a settlement of an insurance claim, shall forward the properly endorsed certificate of title to the office of the county clerk that issued the certificate of title together with an application for a certificate of title branded salvage and payment of the fee required under W.S. 31-3-102(a)(vii) to obtain a properly branded certificate of title.</p> <p>This section shall not apply to motor vehicles with more than eight years of service, except any vehicle that was previously issued a title from any state that bore any word or symbol signifying that the vehicle was "salvage", "un-rebuildable", "parts only", "scrap", "junk", "nonrepairable", "reconstructed", "rebuilt," or any other symbol or word of like kind, or that it has been damaged by flood, shall obtain a Wyoming title with the prior brand or any other information concerning the motor vehicle status, carried forward on any subsequent Wyoming title, irregardless of years of service.</p> <p>If the owner of a motor vehicle retains the vehicle upon a settlement with an insurance company, and the vehicle has incurred damage requiring the vehicle to be issued a certificate of title branded "nonrepairable" or "salvage", the owner shall apply for the certificate of title in his own name with the applicable brand displayed on the certificate of title before the vehicle is commercially repaired or ownership of the vehicle is transferred.</p>
<b>VALUATION METHODS PERMITTED</b>	Any current edition of a nationally recognized automotive appraisal guide or other source approved by the Wyoming Insurance Department. DCI Solution is an approved source.
<b>RIGHTS OF RECOURSE TO OWNER</b>	No provision
<b>DOCUMENTATION OF VALUE TO OWNER</b>	No provision
<b>SALES TAXES AND FEES</b>	No provision
<b>TOTAL LOSS THRESHOLD</b>	<p><u>Rule</u>: 75%</p> <p><u>Comments</u>: For vehicle to be in pre-accident condition, labor to rebuild and parts exceed 75% of ACV of vehicle.</p>

\*Due to the ever-changing regulation environment, this information may become outdated or superseded as time goes by. It is not to be construed as legal advice.