

CONSUMERS GUIDE TO TOTAL LOSS CLAIMS

Many insurance companies offer to pay their insured vehicle owners for the estimated value of their total loss vehicle claims. Currently, some 80% of all auto insurers are using CCC's total-loss valuation program. This computer program has allegedly reduced claims reimbursements below what the previous commonly used valuation methods such as the *Kelley Blue Book*, the NADA guide, or Edmunds.com offer.

- ***Ask for reimbursement for Sales Tax, Title Fees, Registration and License expenses.***
These are costs every consumer will incur when they replace a collision damaged vehicle that has been deemed a total loss. Yet often insurance companies will not voluntarily offer to reimburse for these necessary expenses in their claims pay-out.

With just the state sales tax of 6%, that means every consumer who is supposed to be covered for total-loss replacement costs of their totaled vehicle are being shorted at least 6% of the claim. Suppose a customer's 1999 Grand Caravan is totaled in a vehicle accident. The value, we will suppose is set at \$12,480. First, if this value was calculated based on real life numbers, in other words, the customer could actually find a comparable replacement vehicle for that cost, would that include the 6% sales tax? That difference alone is \$748.80. Add on the cost of title fees, registration, etc. and one would be looking at over \$800 that a customer would have to cough up out of their own pockets. Why shouldn't an insurance company have to pay the entire cost to replace a customer's vehicle including taxes, fees, etc.?

Twenty-nine states already legally require auto insurers to reimburse for sales taxes, title, and registration (of course, Michigan is NOT one of those 29). This does not mean that Michigan consumers will not get reimbursed for these fee's, it simply means that the law does not require insurance companies to pay them. We recommend that consumers ask for these reimbursements on any total loss claim they may have.

- ***Shop BEFORE You Settle:*** With more and more insurance companies using CCC's Total Loss Valuation Program, if the allegations of a current lawsuit are correct, consumers may not be getting a true value reimbursement from their insurance companies on their total loss claims. A consumer would be spending their time wisely to go out to a few local car lots and look for a vehicle that would replace the one they have a total loss claim on and get a quote on that vehicle out the door (this includes the taxes, title and license fee's, etc we previously wrote about). You may find that these quotes are higher than what your insurance company is willing or offering to pay.

Despite Michigan's lack of legal protection, some insurance companies will reimburse for these additional costs upon request from the insured. Even in some states that mandate these reimbursements, insurance companies have been shown not to offer them up front, but rather have to be asked for them to get it.

If you have any problems with a reasonable reimbursement to replace your total loss vehicle, please e-mail MI-Car on their "Consumer Complaint Form" at www.MI-Car.com and we will forward information to the appropriate agencies.