

Vehicle Total Loss Notice

Your vehicle has been declared a **total loss**. This notice is required by Oregon law and explains your rights and a typical claims process.

What is a “total loss”?

- The Oregon Vehicle Code defines a total loss as a vehicle (1) that is declared a total loss by an insurer that is obligated to cover the loss or (2) that the insurer takes possession of or title to. Usually, this is because the cost of repair makes repairing the vehicle impractical.

What are your choices?

- If the insurer keeps your vehicle, the insurer’s offer will be based on its determination of your vehicle’s actual cash value immediately before the loss (its pre-loss value).
- If you keep your vehicle, the insurer’s offer will be based on its determination of your vehicle’s actual cash value immediately before the loss, reduced by your vehicle’s salvage value (the amount that your damaged vehicle is worth).

How are the value of your vehicle and your insurance claim payment determined?

- Insurers may use independent vehicle evaluation companies, vehicle appraisers, guidebooks, or quotes from dealers to establish your vehicle’s value.
- Insurers also consider your vehicle year; make; model; mileage; equipment; options; geographic location; recent upgrades, such as a rebuilt engine or new transmission, etc; and the condition of your vehicle’s body, paint, tires, glass, interior, mechanical condition, and prior unrelated damage as this information may affect the value of your vehicle.
- Insurers use this information to compare your vehicle with similar vehicles recently sold or offered for sale in your local market area, in order to determine your vehicle’s pre-loss value.
- The insurer puts this information into an evaluation report and must provide you with a copy of this report. Contact your claims adjuster if you find errors in this report.
- If your claim is with **your** insurer, your policy’s deductible will be deducted from the claim payment. If your claim is filed with the other driver’s insurer, the claim payment may be reduced by an amount that reflects your percentage of fault for the accident and/or if the other driver’s insurance policy limits are not large enough to pay for the value of your vehicle.
- If your claim is with **your** insurer, the insurer may elect to offer a replacement vehicle that is at least comparable to the insured vehicle.

What if you disagree with the insurer on the value of your vehicle?

- You do not have to accept the insurer’s offer. You can continue to negotiate with the insurer.
- Show the insurer evidence of a higher value, such as guidebooks, quotes from dealers, newspaper ads or online ads for similar vehicles in your area. Adjust for differences in factors such as mileage, vehicle condition, and accessories.

- If you and the insurer cannot reach a settlement agreement, the insurer is obligated to pay you the amount of their offer that is not in dispute when you agree to complete the necessary documents to transfer vehicle ownership to the insurer, and allow the insurer to take possession of your vehicle. This provision applies to all new policyholders on or after January 1, 2010 and to current policyholders upon the first renewal of their policy that occurs on or after January 1, 2010. For example, if the insurer offers you \$1,000 for your vehicle but you believe it is worth \$2,000, the insurer must pay you the amount not in dispute, or \$1,000 when you have agreed to complete the necessary documents to transfer vehicle ownership to the insurer. After 14 calendar days, the insurer may sell the vehicle. The insurer is not obligated to pay you the amount not in dispute if you decide to keep your damaged vehicle.
- Payment of the amount not in dispute does not mean your claim is settled. You can continue to negotiate with the insurer to seek an additional payment.
- If your claim is against the other driver's insurer and you disagree with that insurer's offer, you may be able to make a collision claim with **your** insurer.
- If your claim is with **your** insurer, and you notify the insurer that you cannot purchase a vehicle for the amount offered, you may locate a comparable vehicle yourself and, if the insurer agrees, the insurer may either buy the vehicle for you or pay you the difference between the amount offered and the cost of the comparable vehicle you found.
- If your claim is with **your** insurer, you may have the right to an appraisal if your policy includes an appraisal provision. Your insurer must reimburse your reasonable appraisal costs if the final appraised value is greater than the insurer's last offer. This provision applies to all new policyholders on or after January 1, 2010 and to current policyholders upon the first renewal of their policy that occurs on or after January 1, 2010. Ask your claims adjuster or the Division of Financial Regulation for more information.

Where to go for help?

This notice is intended to be an overview of the process involved in resolving a total loss claim. If you have any questions, please contact the Division of Financial Regulation of the Oregon Department of Consumer and Business Services. Consumer advocates can be reached toll-free at 888-877-4894, or visit dfr.oregon.gov.