

Free help with your insurance questions or complaints

Consumer Advocacy
Hotline

Toll-free
888-877-4894

Salem
503-947-7984

Email
cp.ins@state.or.us

Insurance Division
350 Winter St. NE
P.O. Box 14480
Salem, OR 97309-0405

Phone: 503-947-7980
Fax: 503-378-4351
Web: insurance.oregon.gov



Total loss

If your vehicle is damaged, the insurance company may declare it a total loss. Usually, this is because the cost of repair is impractical. The insurance company must give you a written notice that explains total loss, including how vehicle values are determined and what to do if you disagree with an insurer's offer.

Filing a claim with the right company

- ▶ If you think the other person in a crash is at fault, you can file a claim with his or her insurance company or yours. However, the other insurance company has the right to investigate the accident facts and accept or deny responsibility.
- ▶ If you use your company, you must pay your deductible. You should get the deductible back from the other company if the other company accepts responsibility.

If you submit a claim and think your car is worth more than you are offered

- ▶ Insurance companies generally use evaluation services to come up with a value for your vehicle. You are owed what you would have been able to sell your vehicle for before the accident.
- ▶ Insurance companies must give you the valuation or appraisal reports they use to determine your vehicle's value.
- ▶ If you believe your vehicle is worth more, you must prove a higher value. To do so:
 1. Review the reports the insurance company used to determine the value of your vehicle and make sure all the options on your vehicle are listed.
 - Correct any differences, such as year, make, miles, equipment, and condition.
 - Make sure the comparable vehicles listed are in your area.
 - See what your vehicle is worth after the company makes any corrections.
 2. Check your local newspaper or the Internet for private-party and dealership sales. Websites include www.autotrader.com and www.edmunds.com.
 - Make sure the vehicles are comparable (make, model, mileage, options).
 - Call to find out the cash price of the comparable vehicle. The company will not pay the advertised price.
 - Document who you called, the date, and the response. Attach this to the ad.
 - Send copies to the company and ask it to review what you found.
- ▶ If you do not believe the other company is offering you enough, you can submit the claim to your own company as long as you have collision coverage on that vehicle.

Appraisals

- ▶ If you do not agree with the value **your own** company offers, your policy may include an appraisal provision. Appraisal processes vary. Check your policy or ask the claims representative. Typically:
 - You get an appraisal (you pay).
 - The company gets an appraisal (it pays).
 - If the appraisers don't agree on the value, the two appraisers agree on an umpire. You and the company each pay half of the umpire's cost.

Insurance companies must reimburse you for reasonable appraisal costs if the final appraised value of your vehicle is higher than the company's last offer.

- ▶ Find automobile appraisers in the Yellow Pages or online.

Keeping your vehicle

- ▶ If you keep your damaged vehicle, the company will pay you the difference between the vehicle's value before the loss and the salvage value (the amount that your damaged vehicle is worth to a salvage buyer).
- ▶ Example: If your car was worth \$10,000 before a crash and has a \$1,000 salvage value, the insurance company will pay \$9,000. If there is a lienholder (such as a bank), the check will probably be made out to you and the lienholder. The lienholder may not allow you to keep your damaged vehicle.
- ▶ If you keep your damaged vehicle, you need to check Oregon's Driver and Motor Vehicle Services (DMV) laws regarding a title for a totaled vehicle. The insurance company must notify DMV when the company totals a vehicle.

Need money to replace your car, but feel the value isn't enough?

- ▶ If you and the insurance company cannot agree on your vehicle's value, and you agree to transfer ownership of your vehicle to the company, the company must pay you the amount that is not in dispute while negotiations continue. After 14 days, the company may sell your vehicle.
- ▶ You can tell the company that you are continuing your search for comparable vehicles. If you are still in dispute, do not cash a check that says anything like "full and final settlement." Another option: Pursue damages through the civil court system.

Loss of use and rental car

- ▶ **Your company:** Coverage for a rental vehicle is optional. If you have this coverage, ask your insurance agent or claims representative how it works. Some policies cover a rental vehicle if your vehicle is stolen, even if you did not buy that coverage.
- ▶ **The other party's company:** If you are not able to drive your vehicle, the company must pay you for *loss of use*. This payment is for the *reasonable length of time* it takes to determine if the vehicle is a total loss. The company generally completes its investigation before it authorizes a rental. It typically pays for the rental from the date of the accident until one or two days after the company makes an offer on the totaled vehicle.
- ▶ Get the name of the person who authorizes the rental vehicle. Ask for a letter or email with the authorization.

Storage fees if the body shop is not going to repair the vehicle

- ▶ Usually, the company pays the storage fees up to the day it makes an offer. If you do not accept the offer, you may be responsible for the fees from that time forward.
- ▶ The insurance company might also ask to move the vehicle before the claim settlement to reduce the daily storage charges. If you do not agree, you may have to pay those additional storage charges.
- ▶ If a body shop requires you to sign a contract, read it carefully. There could be items that are not covered by your policy.

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