

TOTAL LOSS SETTLEMENT PROCESS

For a theft recovery, I believe that your insurance company has some amount of time (typically 30 days) to try to recover your car. Check with your agent or your insurance policy as to the time frame. Once that time is complete, your insurance company would have to reimburse you for the actual cash value of your vehicle.

For a non theft recovery total loss, establish the true market value of your vehicle. Look on line at www.nada.com www.kbb.com and www.autotrader.com to establish a value. Look for vehicles that are in the same condition, mileage and options to establish the value. You can use a dealership lot as well, just photo shoot the vehicle with the price in the window. Print a copy of the value obtained on line or take photos if the vehicle is on a car lot or with a private party. Make sure that there are dates attached to what ever work you submit.

If your insurance company offers you a fair value for you vehicle, then you will be informed and know that you have a fair offer. Just take the check.

If your insurance company offers you a low value, you can dispute that. **Request their market analysis in writing** and then review the comparables they are using (this document can be emailed). **Most of the time when the value is low, I find that the report from the insurance company is not accurate.** Remember that you are owed the value of the vehicle, tax, license and title transfer fee (that's called a loaded number, unloaded is just the value of the vehicle). Make sure that you are clear as to which numbers that you are talking about (loaded or unloaded) with your insurance company when you are settling.

If you disagree with your Insurance Company about the value of the loss, use the Appraisal Clause in your policy. (This is only available if you have filed a claim with your own insurance company)

All Insurance Policies have an Appraisal Clause. Most read this way:

- A. If we and you do not agree on the amount of the loss, either may make a written demand for an appraisal of the loss.
 1. We and you may agree to a single appraiser. A decision by the appraiser will be binding. **(DON'T USE THIS ONE AS THERE IS NO SUCH THING AS AN INDEPENDANT APPRAISER)**
 2. If we and you cannot agree on a single appraiser, each will select an independent representative, who will then select a single appraiser. We and you may then proceed with the single appraiser by agreement. A decision by the appraiser will be binding. **(DON'T USE THIS ONE AS THERE IS NO SUCH THING AS AN INDEPENDANT APPRAISER)**
 3. If the representatives cannot agree on a single appraiser within 30 days, or we or you do not agree on the appraiser selected, each party will select an appraiser. The two appraisers will select an umpire. If they cannot agree within 30 days, either may request that selection be made by a court having jurisdiction. A decision by two will be binding. **(ALWAYS USE THIS ONE)**

Below are the WAC codes relative to total loss settlement:

WAC 284-30-3907

How can my insurer settle my vehicle total loss claim?

Your insurer can adjust and settle vehicle total losses by one of the following methods:

(1) **Replacing your vehicle:** Your insurer can settle your claim by offering to replace your vehicle with a comparable vehicle that is available for inspection within a reasonable distance from where your vehicle is principally garaged. Your insurer must advise you by phone or in writing of their settlement offer. This communication must be documented in the claim file. If it is a phone call, the documentation must include the date, time, and name of the person in your household they spoke with.

(2) **Cash settlement:** Your insurer can settle your claim by offering a cash settlement based on the actual cash value to purchase a comparable vehicle. Only vehicles identified as comparable may be used to arrive at the actual cash value. You can request a copy of the "valuation report" that notes the information used to determine the amount of the cash settlement. The offer of a cash settlement must use one of the following methods:

(a) The actual cash value of a comparable vehicle based on current data obtained from the principally garaged area. If a comparable vehicle cannot be found within the principally garaged area, the search area may be expanded only in increasing circles of twenty-five mile increments until a comparable vehicle is identified.

(b) Quotations for the actual cash value of a comparable vehicle obtained from two or more licensed dealers located within the principally garaged area. If two or more licensed dealers cannot be found within the principally garaged area, the search area may be expanded only in increasing circles of twenty-five mile increments until two or more quotes for comparable vehicles are obtained.

(c) The actual cash value of two or more comparable vehicles advertised for sale in the local media if the advertisements are no older than ninety days. The vehicle must be located within the principally garaged area. If two or more comparable vehicles cannot be found within the principally garaged area, the search area may be expanded only in increasing circles of twenty-five mile increments until two or more comparable vehicles are identified.

(d) Any source for determining statistically valid actual cash values within your vehicle's principally garaged area that meets all of the following criteria:

(i) The source must give primary consideration to the values of vehicles in the zip code where your vehicle was principally garaged.

(ii) 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 vehicles.

(iii) The source must produce actual cash values based on current data available from the principally garaged area. If comparable vehicles cannot be found within the principally garaged area, the search area may be expanded until comparable vehicles are identified to assure statistical validity.

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

(v) Any adjustments for betterment or depreciation must be in compliance with WAC 284-30-3908.

(vi) The source must provide a list of the comparable vehicles used to determine the actual cash value. If more than thirty comparable vehicles are used, only thirty must be listed.

(e) When you and your insurer both agree, an evaluation that varies from the methods described in (a) through (d) of this subsection may be used. The determination of value must be supported by documentation. Your insurer must take reasonable steps to validate that the value so determined is accurate and representative of what the actual cash value would be of a comparable vehicle in the principally garaged area.

(f) Insurers remain responsible for the accuracy of evaluations based on outside sources used to establish actual cash values.

(3) Appraisal: If you and your insurer fail to agree on the actual cash value of your vehicle and your policy has an appraisal provision, you or your insurer may request that the appraisal provision of your policy be used as a method to resolve disputes concerning the actual cash value.

(4) Applicable taxes, license fees, and other fees incidental to transfer of evidence of ownership must be added to the actual cash value.

WAC 284-30-3911

What information must be included in the insurer's valuation report?

The valuation report must include:

(1) All information collected during the initial inspection that sets forth the condition, equipment, and mileage of your vehicle;

(2) All information that the insurer used to arrive at your actual cash value of the vehicle;

(3) A list of the comparable vehicles used by the insurer to arrive at the actual cash value. This list must include:

(a) The source of the information used;

(b) The date of the information;

(c) The seller's telephone number;

(d) The asking price;

(e) The sold price, if the sold price is available and verified;

(f) The location of each vehicle at the time of the valuation.

(g) When an insurer uses a source for determining statistically valid actual cash values meeting the requirements of WAC 284-30-3907 (2)(d), the insurer must give primary consideration to vehicles in the zip code where your vehicle was principally garaged. If more than thirty comparable vehicles are used, only thirty must be listed.

Any supplemental or ancillary information must be clearly identified with a separate heading. Any weighing of identified vehicles to arrive at an average must be documented and explained.

WAC 284-30-3908

Are there factors that may adjust my settlement?

Your settlement may be adjusted by one of the following methods:

(1) Deductions are allowable for prior un-repaired damage. The amount of deduction can be no greater than the decrease in actual cash value due to prior damage.

(2) When you retain your total loss vehicle, your insurer may deduct the salvage value from the actual cash value, including all applicable taxes and fees. At your request, the insurer must provide you with the name and address of a salvage dealer or dismantler who will purchase the salvage for the amount deducted with no additional charge. This option must be available for at least thirty days after receipt of the settlement. This option will not be available if, after settlement, the condition of the salvage has been changed.

(3) Any additions or deductions from the actual cash value must be measurable, discernible, itemized and specified as to dollar amounts.

WAC 284-30-3909

If my vehicle is determined to be a total loss, can I keep it?

(1) If your claim is being handled by another person's liability insurer, you may negotiate to keep your vehicle.

(2) If your claim is being handled under your insurance policy, it will depend on the terms and conditions in your policy.

[Graphic Version](#)

284-30-390 << 284-30-3901 >> 284-30-3902

WAC 284-30-3901

Definitions for settlement of vehicle claims.

In addition to the definitions in WAC 284-30-320, the following definitions apply to WAC 284-30-3901 through 284-30-3916 .

(1) "Actual cash value" means the cost to you to replace your vehicle with a comparable vehicle.

(2) "Comparable vehicle" means a vehicle that is the same make and model, same or newer year, similar body style, similar options and mileage as your vehicle and in as good or better overall condition as established by current data. To achieve comparability, any deductions or additions for options, mileage or condition can only be made if they are itemized and appropriate in dollar amount. An insurer must consider information supplied by you when determining deductions or additions.

(3) "Current data" means data no older than ninety days from the date of loss.

(4) "Principally garaged" means the zip code where the vehicle is normally kept.

(5) "Settlement" means when the payment is actually made to you and/or your lien holder.

[Statutory Authority: RCW 48.02.060, 48.30.010. 03-14-092 (Matter No. R 2002-06), § 284-30-3901, filed 6/30/03, effective 10/1/03.]