

INSURANCE *Buying a Used Car?*

Get the Facts Before You Act

Beware of flood-damaged vehicles pouring into market

If you're looking for a used car, you may want to take extra caution before you make an investment. Following recent hurricanes, thousands of submerged vehicles have been abandoned and may be shipped to other parts of the country through car wholesalers. There are numerous reports of flood-damaged vehicles originating from the Gulf Coast states being distributed across the country into markets of unsuspecting consumers. The Wyoming Department of Insurance offers these tips when buying a used vehicle.

Beware when shopping for a used vehicle

Most states require vehicle titles to indicate if there is flood damage. However, some wholesalers may intentionally transfer titles to avoid having the damage noted, which diminishes the value of the car. Flooded vehicles are often cleaned up and transported far away from their original location after a major storm. Long-term effects from flood damage can affect the vehicle for years.

Flooded-out vehicles are often declared a total loss by the insurer, at which point the vehicle should be issued a salvage title. A salvage title indicates the vehicle was deemed a total loss by an insurance company. These vehicles are usually sold at a salvage auction for parts. However, these vehicles can be legally resold if the flood damage is declared on the title.

How to avoid purchasing a previously flooded vehicle

The National Motor Vehicle Title Information System (NMVTIS) is designed to prevent the concealment of flood damage and other vehicle



histories. NMVTIS is overseen by the U.S. Department of Justice (DOJ) and offers information to help protect you from title fraud and unsafe vehicles. This is a nationwide database and the only one to which all junk and salvage yards, insurance carriers, salvage auctions and other businesses are required to report total loss and junk/salvage vehicles.

The National Insurance Crime Bureau (NICB) also maintains a database, VINCheck program, where consumers can enter a vehicle identification number to check for a salvage (or stolen) vehicle. It should be noted that these reports only monitor vehicles that were insured and were insured by participating companies.

While a car may look perfectly fine on the surface, there could be hidden defects. Flood damage can compromise a car's computer and safety mechanisms, which pose significant safety hazards. Also, your insurance company may not insure or fully insure a vehicle previously determined a total loss.

Do your own inspection

Take the time to scrutinize the car:

- Check the engine for a high water mark on the block or radiator, which is a clear indication that the car has been flooded.
- Look for rust or corrosion on wires and other components under the hood.
- Be suspicious if the carpet smells damp or of mildew. Be leery of new carpet in older vehicles.
- If the seller says they've lost the title, do not purchase the vehicle.

Flooded vehicles often end up at car auctions. Shop at a reputable dealership or get a full inspection prior to purchasing a vehicle.

Ask questions

Before buying a car, ask the dealer for a report with a detailed history of the car. If you're not purchasing the vehicle from a dealer, you can get a vehicle history report.

Comprehensive vehicle history reports are produced with the vehicle identification number (VIN) and are available for a fee from a variety of sources, including:

- Carfax
- Auto Check
- VinAudit

More information

For more information about auto insurance, contact the Wyoming Department of Insurance.



Wyoming Department of Insurance

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