



# National Automobile Dealers Association



**Co-Sponsor Total-Loss Disclosure Legislation**  
**S. 202, The Passenger Vehicle Loss Disclosure Act of 2009**  
**Sponsors: Sen. John Ensign (R-Nev.) & Sen. Bill Nelson (D-Fla.)**

## **PROBLEM**

- ✓ Millions of vehicles, like this one, are totaled every year.
- ✓ Many of them are resold at salvage auctions, rebuilt, and re-enter the market with a clean vehicle title.
- ✓ Unsuspecting consumers and dealers may buy these rebuilt wrecks without knowing the extensive damage to the vehicle.
- ✓ More than 500,000 cars were severely damaged by Hurricanes Katrina, Rita, and Wilma.



## **WHY DOES THE PROBLEM EXIST?**

- ✓ Used vehicle buyers cannot get timely access to title data at DMVs or total-loss data at insurance companies.
- ✓ Many state motor vehicle titling laws are confusing and incomplete.
- ✓ Insurance companies are not required to "red flag" all severely damaged vehicles.
- ✓ Many rebuilt cars are retitled in a state far away from where the damage took place with a clean title.

## **SOLUTION – S. 202 – The Passenger Vehicle Loss Disclosure Act of 2009**

- ✓ Requires that totaled, flood-damaged and stolen vehicles be permanently "red-flagged" in vehicle history databases.
- ✓ A VIN-based (Vehicle Identification Number) system will permanently brand totaled cars. Titles can be washed, VINs cannot.
- ✓ S. 202 requires insurance companies to disclose the VIN of a totaled vehicle, the reason for the total loss (flood, collision, stolen and recovered, etc.), the date of total loss, the odometer reading, and whether or not the airbag deployed.

## **OUTCOME**

- ✓ This total-loss information will make vehicle history reports more timely and complete.
- ✓ Consumers and dealers will have the information they need to make informed decisions about the safety and fair market value of used cars.
- ✓ Keeps unsafe cars off the road.