



89 Main Street, Montpelier, VT 05620 - 3101  
(p) 802-828-3301 | <http://www.dfr.vermont.gov/>

## **Determining Your Car's Value and Cost of Repair**

After an automobile accident, you want to make sure that you are adequately paid for the repair or for the value of your totaled car. To optimize your insurance claim, it is important to understand the valuation and repair process.

### **Know your car's value**

There are several guides to determine the current value of your car for insurance purposes—for example, Kelley Blue Book, and the National Association of Automobile Dealers' NADA Guides. Use these guides to get an idea of what your vehicle is worth, as you go into the insurance process.

Note that most standard auto policies will not pay to repair a vehicle if it is "totaled"—that is, if the repairs cost more than the cash value assigned to the car. It is up to your insurer to decide.

Total losses in VT are calculated according to the VT Insurance Regulation I-79-2 (Revised). It is especially important that in VT "Such costs as, but not limited to, reconditioning and tune-up shall not be deducted by insurer, unless such deductions are justified and detailed as a result of actual inspection by adjuster or appraiser." A carrier is limited on what they can deduct from the value of your vehicle if they are virtually appraising your vehicle with photos or video only. If you see deductions for the condition of your car, you may want to verify that they had a physical inspection of your vehicle completed and detailed notes taken by the inspector.

However, you may be able to make a case that the pieces of the car were worth more than the book value and so increase your settlement. You can submit mileage records, service history and affidavits from mechanics to show that your car is worth more than just the book value.

### **Understand the claims repair process**

When you file your claim, your insurance company will refer you to a claims adjuster, who will verify the loss and make an initial determination on what it will cost to repair the car.

The adjuster's estimate is a benchmark, not a total claim payment. The insurance company will not expect you to accept their adjuster's estimate until you've established to your own satisfaction that it will cover the cost of repair, so don't feel pressured.

The insurer will expect you to get at least one estimate from your mechanic, garage, or car dealer, to compare to theirs.

Your insurance company may opt to pay for the lowest bid, so don't be surprised. Just as you want to be sure your car is adequately repaired; they want to make sure they don't pay a grossly inflated repair bill. Note that one factor that could reduce the amount of your claim for a repair job is what insurance companies call betterment. If your old car is repaired with brand-

new parts, your insurer may argue that the repairs have actually enhanced the car's value and therefore they can legitimately reduce your claim by the difference between a used part and a new one.

Your insurer can't require you to have repairs done at a particular shop, but they can insist that you get more than one estimate for the work to be done on your car if they feel the estimate you received is too high.

You can negotiate, if necessary. You don't have to accept it if you believe the amount won't adequately repair your car. Don't hesitate to make your points with the adjuster if the repair estimate is too low based on what your mechanic has told you.

In VT, if you request to have an adjuster or appraiser sent to physically inspect the vehicle, carriers are required to send one, unless there is a state of emergency or there are state-wide government restrictions in place.