



# Legislative Committee

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# National Automobile Dealers Association

- More than 20,000 Franchised Car and Truck Dealerships
- Members employ more than 1 million people
- Represent Domestic and International Nameplates
- 93% of all franchised dealers are members of NADA
- Offer a wide variety of education/training to members

# THE PROBLEM:

Thousands of wrecked, flooded or stolen vehicles are sold with clean titles to unsuspecting consumers each year.

- Safety risks and economic concerns to consumers
- Problems to law enforcement
- Economic risks to dealers, auctions and licensed repair facilities
- No one-stop shopping for data about problem

# Total loss vehicles –a core part of the problem

- Approximately 5 million vehicles are totaled each year
- Even if titled as flood or salvage, titles can still be washed
- If not titled as flood or salvage, more problems result
- This is not a hypothetical issue – The State Farm Case

# Dealers and Consumers have the same interest in VIN-based transparency

- Franchised dealers took millions of used cars in trade last year and retailed 17 million used cars
- Dealers do not want totaled cars on their lots
- Consumers do not want totaled cars on their driveways

# THE SOLUTION:

Congress should require insurance companies  
to make the VINs of total loss vehicles  
commercially available

- NADA supports S. 3707 (Senator Lott (R-MS)) and H.R. 6093 (Rep. Stearns (R-FL))
- Solution premised upon private sector technology
- Solution based on current technology
- Solution does NOT preempt state title laws

# What does commercially available mean?

- The legislation does not define the term
- The legislation would require disclosure “to the public in a commercially reasonable, electronically accessible manner”
- For example, static PDF files vs. searchable electronic batch data



# When would this total loss information be disclosed?

- The day of the total loss settlement

# What total loss information would be disclosed?

- NOTE: No personal identifiers will be disclosed
- The Vehicle Identification Number (VIN) of the total loss vehicle
- The date of the total loss
- The odometer reading at total loss

# What total loss information would be disclosed?

- A brief statement of the reason for total loss such as:
  - ◆ Flood or water damage
  - ◆ Collision or fire damage
  - ◆ Stolen and recovered
  - ◆ Some other reason
  - ◆ NOTE: Disclosure NOT determined by state law
- Whether the airbag deployed during the incident prompting the total loss.

# Why should this total loss information be disclosed?

- Total loss is the most significant economic event in the life of a vehicle
- Total loss vehicles often provide the raw material for fraudulent transactions
- Total loss VINs would red-flag problem vehicles forever, regardless of what is on the title

# Why should this total loss information be disclosed?

- Consumers could make better decisions about safety and fair market value
- Law enforcement would have another anti-fraud tool
- Reputable businesses could keep problem vehicles out of inventory
- This new data would complement DMV data

# What can the Collision Industry Council do?

- Possible action in lame duck session of Congress.
- Adopt a resolution in support of the legislation
- Members can urge Senators to cosponsor S. 3707 and Representatives to cosponsor H.R. 6093
- Speak to the media in support of the legislation
- Provide specific examples of the fraudulent activity in total loss vehicles and e-mail to [dregan@nada.org](mailto:dregan@nada.org)