

Castle, NADA Highlight the Importance of Total Loss-Disclosure -- August 6, 2007

Smyrna, DE

-- Delaware Congressman Mike Castle joined Bill Willis of Willis Chevrolet and Bailey Wood of the National Auto Dealers Association (NADA) today to highlight the need for total loss disclosure. Rep. Castle recently cosponsored H.R. 1029, the Damaged Vehicle Information Act, which protects used vehicle customers and dealers from being taken advantage of by people trying to sell cars that suffered major damage through floods or accidents or have even been stolen. This legislation would require better reporting standards for this type of information which in turn would allow consumers to make more informed decisions about vehicle safety and the fair market value of used cars. Similar legislation has been introduced in the Senate, S. 545.

According to NADA, five million vehicles are totaled by insurance companies each year, and many of them are resold at salvage auctions, rebuilt, and re-enter the market with a clean vehicle title. This is a danger to unknowing consumers who could buy these rebuilt vehicles without knowledge of the extensive damage the vehicle had suffered. One of the proposed solutions to alleviate this problem is to improve consumer access to passenger vehicle loss data by requiring insurance companies to make vehicle identification numbers (VIN) of totaled vehicles commercially available to vehicle history providers.

"This is a smart way to red-flag damaged or stolen vehicles and to protect both businesses and potential customers. Many people may buy vehicles at auctions and the history of the vehicle may be washed away with the title. By making certain that insurance companies track the VIN on vehicles and provide that information to the public, consumers will know the vehicle's full-history and unsafe vehicles will remain off of the roads," Castle said.

"The more consumers hear about the danger caused by rebuilt wrecks, the more they want something done about it. Dealers across the nation, such as me, do not want these vehicles on our lots," said Bill Willis of Willis Chevrolet. "With almost five million vehicles totaled by insurance companies each year something has to be done to permanently notify used car buyers about these severely damaged vehicles. We applaud Rep. Castle for his support and leadership to keep unsafe vehicles off the road."

"The goal of this legislation is simple - if a vehicle is totaled, the VIN should be disclosed to the public," added NADA's Bailey Wood. "Armed with total-loss information, consumers, businesses, dealers, auto auctions - anyone buying used cars - should be able to easily identify one of these rebuilt wrecks, even if the title was washed. This legislation is necessary to red-flag the total-loss history of a used car forever ultimately protecting Delaware consumers."

For more information on total-loss disclosure, visit www.nada.org/tld.

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