https://www.nhregister.com/opinion/article/Today-s-Business-Getting-a-fair-price-for-a-17036560.php

New Haven Register

https://www.middletownpress.com/opinion/article/Today-s-Business-Getting-a-fair-price-for-a-17036560.php

The Middletown Press

https://www.registercitizen.com/opinion/article/Today-s-Business-Getting-a-fair-price-for-a-17036560.php

THE REGISTER CITIZEN

https://www.ctpost.com/opinion/article/Today-s-Business-Getting-a-fair-price-for-a-17036560.php

CONNECTICUT POST

https://www.thehour.com/opinion/article/Today-s-Business-Getting-a-fair-price-for-a-17036560.php

The Hour

https://www.stamfordadvocate.com/opinion/article/Today-s-Business-Getting-a-fair-price-for-a-1

sa stamford advocate 7036560.php

https://www.greenwichtime.com/opinion/article/Today-s-Business-Getting-a-fair-price-for-a-17036560.php

gt greenwich time

https://www.newstimes.com/opinion/article/Today-s-Business-Getting-a-fair-price-for-a-17036560.php

newstimes.com

OPINION

Today’s Business: Getting a fair price for a totaled vehicle in today’s used car market

John M. Parese

April 1 on the Internet and April 3, 2022, I print

John M. Parese is a partner at the New Haven-based firm of Buckley Wynne & Parese. Contributed photo

Used car prices rose 45 percent in January. Abnormally high used car values appear to be with us for some time. If you’re in the market for a used car, you’ve probably noticed that they have “never been more expensive than they are now.” The unusual rise in used car values is largely driven by shortages in component parts (primarily semiconductor chips) for new vehicles, heightened demand, and inflationary complexities in our economy.

At the same time, and for a variety of reasons, more damaged vehicles are being written off as a total loss.

So, what happens if you're involved in a motor vehicle crash and your vehicle is totaled? How does this unique landscape apply to the determination of total loss value? What happens if your vehicle is a lease?

Understanding your rights could be the difference between getting what you deserve and getting fleeced.

In Connecticut, the law says settlement value of a totaled motor vehicle is guided by the National Automobile Dealers Association used car guide and one other automobile industry source that has been approved for such use by the state insurance department.

These approved sources are intended to provide consumers and insurers with a fair value for motor vehicles, or the actual cash value of a vehicle just prior to the loss. As prices for used vehicles spike, totaled vehicle values likewise are increasing — as they should. One of Connecticut's most utilized industry sources (aside from the NADA) is CCC Information Services. CCC recently acknowledged the rise in total loss values due to these unique market conditions, and further opined that the elevated total loss values may be with us for some time.

For consumers who own or finance the purchase of their vehicle, the answer is clear: your total loss value should be commensurate with the market increases, and thus you should receive a greater sum for your total loss. This is consistent with the conceptual purpose of our legal system, which is to put a victim of a loss back to the position he or she would have been in had the wrong not been committed. This is a meaningful issue because a vehicle's increased equity can be quite significant, in some cases as much as $10,000 or more.

In light of this extraordinary circumstance, insurers, frustrated by inflated values, undoubtedly will endeavor to underpay total loss claims. If you find yourself with a total loss claim, beware of your rights, and be prepared to confront any insurer refusing to honor current market conditions, or attempting to shortchange you on your claim. If this happens, file a complaint with the Department of Insurance right away.

For consumers who lease their vehicle, an insurer's obligation to pay the appropriate market value remains true, but who gets to keep the excess equity is less clear. Under present market conditions with leased vehicles that are totaled, the actual cash value often exceeds the vehicle’s lease payoff. So, who gets to keep that extra money? It varies. It can get complicated, depending upon the wording of the lease agreement. Be sure to request a copy of your lease agreement if the lessor is attempting to retain the equity on a total loss payment. This should prove instructive.

As this unique landscape appears to be with us for some time to come, consumers filing total loss claims need to mindful of their rights and likely entitlement to a significant sum of money above and beyond what they would normally be due. In the meantime, please drive safely.

Attorney John M. Parese is a partner at the New Haven-based firm of Buckley Wynne & Parese. He can be reached at 203-776-2278 or jparese@bwplaw.com.