



## **Policy Clarification Regarding Insurance Carrier Reporting of Salvage Information (including total loss designations)**

**Date Issued: March 5, 2009**

On January 30, 2009, the Department of Justice issued final rules for implementation of the National Motor Vehicle Title Information System (NMVTIS). The rules require insurance carriers to report on, among other things, “any automobiles that it has determined to be a total loss under the law of the applicable jurisdiction or designated as a total loss by the insurance company under the terms of its policies.” More specifically, insurance carriers must report the date on which the automobile was obtained or designated as a junk or salvage automobile (including those determined to be a total loss).

Since publication of the final rules, DOJ has learned that the date on which a junk or salvage determination (including those determined to be a total loss) is made is not currently reported by the insurance industry in a universal manner. As such, insurance carriers will need to make substantial changes to carrier data systems and in reporting practices currently in place in order to comply with this requirement. It is our determination that making these changes before March 31, 2009, would be a significant challenge and a substantial burden for the insurance carriers. As such, DOJ has considered alternative data points; however, DOJ’s preference remains for insurance carriers to report the date on which the automobile was obtained or designated as a junk or salvage automobile (including those determined to be a total loss).

However, after reviewing the information provided by insurance organizations, and after reviewing alternative data elements, it is determined that insurance carriers can report one of the following dates in lieu of reporting the date on which the automobile was obtained or designated as a junk or salvage automobile (including those determined to be a total loss):

- 1) date of loss. “date of loss” means the date the incident occurred (i.e., damage, theft, etc.) that rendered the vehicle a junk or salvage vehicle (including total losses), OR
- 2) date on which a claim was paid. (Please note: Salvage or total loss determinations that do not result in a paid claim (e.g., third party determinations) are not addressed here)

Importantly, this clarification does not alter the reporting trigger, which remains the determination of junk or salvage, including total loss, or any other aspect of the rules. While these dates may be substantially earlier in the salvage determination process, they are an acceptable alternative provided that reporting of the date occurs at the interval required – within 30 days of the date the vehicle was obtained or determined to be junk or salvage (including those determined to be total loss).

With the exception of the modification described above, insurance carriers must continue to report salvage and total loss information as required by the rules, regardless of whether the vehicle remains in the owner's name or is retitled to the insurance carrier.

For more information on this clarification or NMVTIS, e-mail [nmvtis@usdoj.gov](mailto:nmvtis@usdoj.gov) or visit [www.nmvtis.gov](http://www.nmvtis.gov).