



Salvage Auto Fraud Reform Coalition (SAFR)

December 7, 2006

TO: Members of the 110th US Congress

This year Congress examined the problem of title washing and title fraud to protect consumers from unknowingly purchasing flood and salvage vehicles.

In 2005, over 5 million vehicles were “totaled” by insurance companies, including over 500,000 from Hurricanes Katrina and Rita. Unfortunately, thousands of these wrecked, flooded, or stolen vehicles are sold with clean titles to unsuspecting consumers each year. **We, the undersigned, who represent millions of U.S. workers, believe legislation is necessary to require that insurers make total-loss data available to the public, thereby “red-flagging” the vehicle forever, and putting consumers on notice of a vehicle’s serious damage history.**

Too often totaled cars are rebuilt and return to the marketplace -- but without a “red flag” to alert consumers. Many of these totaled vehicles are dangerous, yet insurance companies are not required to make the VINs public. Clearly, the most direct and effective method to provide consumers with more complete vehicle histories is for insurance companies to make the VINs of totaled vehicles available to the public.

Insurance companies already collect total-loss disclosure information, however; they do not provide this valuable information to consumers. The disclosure of total-loss data would be VIN-based and would not include any personal identifiers protected by Federal and state privacy laws.

Consumers could obtain this information easily and quickly through existing vehicle history providers. During the 109th Congress, hearings were held on the issue, and total-loss disclosure legislation was introduced in both the Senate (S. 3707) and House (H.R. 6093). We look forward to reintroduction of bipartisan legislation in the 110th Congress.

Passage of this measure would provide used car buyers an important tool for making better decisions about vehicle safety and fair market value. We urge Congress to consider this important safety and consumer protection legislation early in the next session.

Sincerely,

National Automobile Dealers Association
Alliance of Automobile Manufacturers
American International Automobile Dealers
Association
Association of International Automobile
Manufacturers
Automotive Recyclers Association

Automotive Service Association
Experian
Honda
Mazda North American Operations
National Auto Auction Association
Volkswagen of America, Inc.