

Buying a Used Car? Avoid Buying a Flood Damaged Vehicle

Finding the right used car can be stressful – and knowing the vehicle history is important. But with the increase in hurricanes and catastrophic floods across the nation, thousands of submerged vehicles have been sold to consumers.

Top Considerations

Effects of flooding on a car: A previously flooded car may look perfectly fine on the surface, but there can be hidden defects. Flood damage can compromise a car's computer and safety mechanisms which pose significant safety hazards. Also, your insurance company may not insure a vehicle that was previously determined to be a total loss.

What happens when a vehicle is flooded: Flooded-out vehicles are often declared a total loss by the insurer and should be issued a salvage title. These vehicles are usually sold at salvage auctions for parts. However, they can be legally resold if the flood damage is declared on the title.

Buying an unknown flooded vehicle: Most states require vehicle titles to indicate if there is flood damage. However, some wholesalers may intentionally transfer titles to avoid having the damage noted. Flooded vehicles are often cleaned up and transported far away from their original location after a major storm.

How To Protect Yourself

Utilize government resources:

- **The National Motor Vehicle Title Information System (NMVTIS)** is designed to prevent the concealment of flood damage and other vehicle histories. Overseen by the U.S. Department of Justice, it offers information to help protect you from title fraud and unsafe vehicles. This nationwide database is the only one which all junk and salvage yards, insurance carriers, salvage auctions and other businesses report total loss and junk/salvage vehicles.
- **VINCheck program** is a database maintained by The National Insurance Crime Bureau (NICB) where consumers can enter a vehicle identification number to check for a salvage (or stolen) vehicle. But note these reports only monitor vehicles that were insured by participating companies.

Do your own inspection or hire a trusted mechanic:

Take time to scrutinize the car. Even if it looks fine on the outside, if it was flooded, there is often some evidence under the hood.

- Check the engine for water marks.

- Look for rust or corrosion on wires and other components under the hood.
- Be suspicious if the carpet smells damp or of mildew. Be leery of new carpet in older vehicles.
- Do not purchase vehicles without a title.
- If you don't feel comfortable checking a vehicle on your own, have a trusted mechanic do these things on your behalf

Ask questions:

Ask the dealer for a report with a detailed history of the car. If you're not purchasing the vehicle from a dealer, you can get your own vehicle history report. They are produced with the vehicle identification number (VIN) and are available for a fee from a variety of sources including Carfax, Auto Check, and VinAudit. Also consider getting a full inspection by a trusted mechanic prior to purchasing the vehicle.

Top Things to Remember

1. Find out as much information as you can about the used car before purchasing. Run checks through government databases and utilize history reports.
2. Do your own inspection and look for obvious signs of flood damage, and get the vehicle inspected by a professional before buying.
3. Shop at reputable dealerships that are forthcoming about the cars' histories.

Additional Information

Additional insurance information on all types of insurance coverage are available on the Department's website at doi.nebraska.gov. If you have insurance-related concerns, call the Department's toll-free consumer hotline at 1-877-564-7323 for assistance.