

From "Frequently Asked Question Regarding Repair To Your Vehicle"  
CT D.O.I. website!

FTR  
HB5444

For your reference, we have included the Connecticut General Statutes that address the calculation of a "Totalled" Motor Vehicle and the use of "Non-OEM" parts for repair work.

**Connecticut General Statute Section 38a-353**

**Sec. 38a-353. Calculation of settlement amount on totalled motor vehicle.** Whenever any damaged motor vehicle covered under an automobile insurance policy has been declared to be a constructive total loss by the insurer, the insurer shall, in calculating the value of such vehicle for purposes of determining the settlement amount to be paid to the claimant, use at least the average of the retail values given such vehicle by (1) the National Automobile Dealers Association used car guide and (2) one other automobile industry source which has been approved for such use by the Insurance Commissioner. For purposes of this section, "constructive total loss" means the cost to repair or salvage damaged property, or the cost to both repair and salvage such property, equals or exceeds the total value of the property at the time of loss.

**Other Automobile Industry Sources Approved by the Insurance Commissioner:**

- 1) Automobile Red Book—Prism Business Media, Inc.  
9800 Metcalf Avenue, Overland Park, KS 66282-2901 (800) 654-6776  
[www.pricedigest.com](http://www.pricedigest.com) - must purchase a subscription  
Basic values = \$199.95
- 2) Mitchell International, Inc.  
9889 Willow Creek Road, San Diego, CA 92131 (800) 854-7030  
[www.mitchell.com](http://www.mitchell.com) - must purchase a subscription.  
Not available to public - Insurance solutions only
- 3) CCC Information Services, Inc.  
222 Merchandise Mart, Suite 444, Chicago, IL 60654-1005 (800) 621-8070  
[www.cccpathways.com](http://www.cccpathways.com) - must purchase subscription  
Not available to public - Insurance solutions only
- 4) Audatex North America, Inc. (formerly ADP)  
Bishop Ranch 1, 6111 Bollinger Canyon Road, Suite 200, San Ramon, CA 94583  
(925) 866-1100  
[www.audatex.us](http://www.audatex.us) - must purchase subscription  
not available to public - advertised as an insurance product
- 5) AutoBid Services, LLC,  
8900 Indian Creek Parkway, Suite 450 Shawnee Mission, KS 66210  
(800) 875-2217  
[www.autobid.com](http://www.autobid.com) - subscription for insurers only  
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6) Vehicle Valuation Service  
1 South 450 Summit Ave., Suite 380  
Oakbrook Terrace, IL 60181  
(888) 475-9975

www.v-v-s.com

- insurance product only  
by subscription only - Not available to public

**Connecticut General Statute Section 38a-355**

**Sec. 38a-355. (Formerly Sec. 38-175z). Notice required concerning parts used to repair damaged private passenger motor vehicles.** (a) (1) Whenever repairs are necessary to the visible exterior sheet metal or plastic parts of a damaged private passenger motor vehicle, as defined in section 38a-363, any insurer or repairer, as defined in section 14-51, preparing a written estimate of the cost of such repairs shall clearly identify in such estimate each major replacement part to be used which is not manufactured by the original manufacturer of the damaged part in such motor vehicle. For the purposes of this section, "parts" means motor vehicle replacement parts of sheet metal or plastic, which constitute the visible exterior of the vehicle, including inner and outer panels, and which are generally repaired or replaced as the result of a collision.

(2) Attached to any such estimate shall be the following notice, printed in no less than ten-point type:

**NOTICE**

This repair estimate is based in part on the use of replacement parts which are not made by the original manufacturer of the damaged parts in your motor vehicle.

(3) The insurer or repairer, as the case may be, shall give a copy of such estimate and notice to the person requesting such estimate.

(b) Any violation of the provisions of this section by an insurer shall be deemed an unfair or deceptive insurance practice under section 38a-816. Any violation of the provisions of this section by a repairer shall be deemed an unfair or deceptive trade practice under subsection (a) of section 42-110b.

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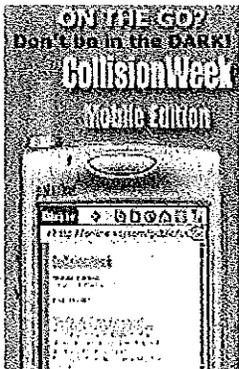
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CollisionWeek News

# CollisionWeek

Fri, 07 May 2010

## Class Action Filed Against CCC for Total Loss Valuations

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**Suit claims CCC fabricates total loss values to save Insurers money.**

CCC Information Services is being targeted by a class action lawsuit that alleges the company is intentionally low-balling total loss valuations on behalf of its insurance company clients that utilize CCC's total loss valuation product, Valuescope.

According to court documents filed in U.S. District Court in Illinois, Plaintiff David Byrne, a resident of Texas, is seeking to lead the class action against Chicago-based CCC that would include any US resident that had a total loss settlement, since July 19 2005, where the CCC Valuescope product was used by their insurer to make the valuation.

Byrne initiated the suit after his wife's car was totaled and their insurer, Travelers, offered a total-loss settlement based on a CCC valuation that he alleges did not accurately reflect the value of his vehicle. That valuation was based on the deficient methodologies used by CCC, he alleges, methodologies that Byrne claims are intentionally designed to defraud and characterized by "an evil motive."

Byrne claims that CCC has adopted the practice of systematically providing false and fraudulent valuations on behalf of their insurer clients. CCC serves many insurance clients but the lawsuit specifically mentions Travelers, GEICO, USAA, Personal Service Ins, Nationwide, Bristol West, Ameriprise, Farmers, Sampo Ins Co of Japan, Meristar, United Auto and Safeco as clients of CCC.

The five formal counts leveled against the company include breach of contract, unjust enrichment, consumer fraud, fraudulent misrepresentation, and breach of the duty of good faith and fair dealing.

The suit is seeking actual and punitive damages in addition to attorney's fees.

This is not the first time CCC has been sued over complaints stemming from its total loss valuation product. In the fourth quarter of 2001, CCC took a \$4.3 million charge for estimated costs to settle 14 class action suits against the company relating to its total

loss valuation product. That same quarter, CCC reported that, together with one of its largest customers, Nationwide Mutual Insurance Company, it was going to settle another suit involving its total loss product, but that settlement involved no cash contribution from CCC.

Then in 2005, CCC reported that it and 15 of its insurance company customers signed a settlement agreement with plaintiffs in various class action suits over the valuation of total loss vehicles. The company reported an \$8 million charge to settle the suits and said that other settlement costs, including claims by class members, will be paid by the insurance companies. The companies admitted no wrongdoing as a part of those settlements.

The latest lawsuit filed on May 4, 2010 is being handled by the Missouri based Bradley Law Firm along with the law firm of Carey, Danis and Lowe with offices in Missouri and Illinois. Carey, Danis and Lowe has served as lead lawyers in class actions against Microsoft, Goodyear, the insurance industry, the telecommunications industry, and the pharmaceutical industry.

Commenting on this suit, CCC said in a statement, "CCC provides highly accurate vehicle values, and the lawsuit is completely without merit."

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# CollisionWeek

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Thursday, July 14, 2005

## CCC Signs Settlement in Total Loss Valuation Class Action Case

Settlement calls for resolution of class action suits against the Company in Madison County involving its valuation product but includes no admission of fault

CCC Information Services said that it and 15 of its customers signed a settlement agreement with the plaintiffs in various class action suits pending in Madison County, Illinois. The suits relate to the valuation of vehicles that were declared total losses by insurers.

This settlement includes no admission of liability or wrongdoing by CCC or its customers. The proposed classes represent all customers of the settling carriers who had a total loss claim from January 28, 1989 to the present, for which CCC's Valuescope product was used to perform the valuation.

The settlement is subject to Court approval, and a motion seeking preliminary approval of the settlement was filed with the Court. Notice to members of the settling classes will then be issued, and the Company anticipates that a final approval hearing will take place before the end of the year.

"We are pleased that we have been able to work with our participating insurance company customers and agree upon terms that are equitable for all involved," said Robert S. Guttman, Senior Vice President and General Counsel for CCC. "The Company has a strong belief in the integrity and accuracy of our valuation product and service. We concluded, however, that settlement of these suits is the best course of action in order to avoid further protracted litigation, expense and distraction."

Terms of the settlement agreement will require CCC to pay notice and administration fees and other costs associated with the settlement. The Company estimates that these costs will total approximately \$8 million, and including available insurance proceeds of \$1.8 million, the Company is fully reserved for these payments. Other settlement costs, including claims by class members, will be paid by the insurance companies that are participating in the settlement.

In addition to its settlement contribution, CCC will also engage the services of an independent, third party as a Court-appointed monitor to periodically review CCC Valuescope's methodology for five years following settlement and to oversee the performance of various product validation studies.

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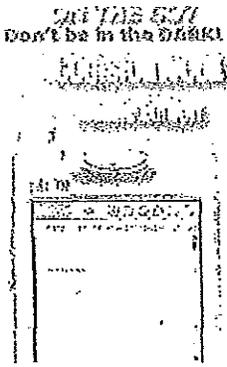
Thu, 23 Dec 2010

## Survey Finds 40 Percent of Total-Loss Settlements Off by Over \$1000

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The people behind the website TheyWroteOffMyCar.com, which offers assistance to consumers who have been involved in a total-loss accident, claim that only 8.1 percent of total loss settlements are actually within \$100 of the actual market value of the vehicle and nearly 40 percent are off the mark by more than \$1000.



After a survey of more than 3,000 total loss settlements, the company found that 38 percent of the claims were undervalued by the insurance company and 54 percent were overvalued by the insurance company, and some by a considerable margin.

At the far end of the spectrum, the company says the survey results reveal that 10 percent of the claims were valued more than \$2,000 above the market value of the vehicle and 4 percent were valued more than \$2,000 below the market value.

Company president Viraf Baliwalla explained that the survey had been conducted after a major insurer hired his company to provide market values for total loss settlement. "They used our numbers to settle the claims but sent us their data (values using the traditional techniques) to compile comparisons."

"Our valuations are based on current, live data using an algorithm, methodology and software we have developed which allows us to guarantee the values provided," Baliwalla said.

