

February 10, 2011

BY HAND DELIVERY

Connecticut Insurance and Real Estate Committee
Room 2800, Legislative Office Building
Hartford, CT 06106

Re: House Bill 5444

Dear Senators, Representatives, and Committee Staff:

We are writing to provide comments on the draft language of Committee House Bill No. 5444 which seeks to amend Section 38a-353 of the general statutes (the "Proposed Bill"). We appreciate the opportunity to comment on the Proposed Bill.

INTRODUCTION

The Proposed Bill seeks to limit the Insurance Commissioner's authority by removing from his purview the ability to approve automobile industry sources for use in calculating the value of a total loss vehicle for purposes of determining the settlement amount to be paid to the claimant. Rather, the sole criteria for determining whether an automobile industry source may be used are whether it is "publicly available" and "provided by the insurer and the insured." CCC currently provides current, local market valuation in Connecticut, and has done business in the state for several years. The Proposed Bill as drafted makes it appear that the intention of the bill may be to eliminate sophisticated valuation sources such as CCC and to mandate use of so-called guidebooks. If that indeed is the purpose of the Proposed Bill, CCC feels that it is of utmost importance that the Committee and the legislature understand the basic facts concerning the manner in which CCC values vehicles and the manner in which the so-called guidebooks purport to value vehicles. CCC is confident that once those facts are reviewed, the Committee will conclude that this issue warrants further studying.

I. CCC

CCC is the leading supplier of advanced software and communications systems for the automotive claims industry. CCC's total loss product, which provides market values for vehicles stolen, destroyed or damaged beyond repair, has been in use for over 20 years. Today, CCC processes more than 1.8 million total loss valuations annually, serving over 350 insurance companies in all 50 states.

The CCC product and service is derived from a computer database containing information on several million vehicles, covering approximately 370 local markets nationwide. Across the United States, CCC employs over 300 field representatives (including 2 in Connecticut) who inventory more than 3,800 dealerships at least twice monthly to obtain timely information on over 732,000 used vehicles offered for sale at any given time. CCC's database also contains information on over 3.5 million current dealer-advertised vehicles and over 1 million vehicles currently advertised by private parties.

Within Connecticut, CCC performs valuations on more than 24,000 vehicles per year. At any given time, CCC's database contains approximately 10,000 inspected vehicles in Connecticut (offered for sale at approximately 60 Connecticut dealerships within the state's 7 local markets),¹ 46,000 vehicles advertised for sale by dealers in Connecticut and approximately 2,500 vehicles advertised by private parties in local Connecticut publications.

II. CCC'S VALUATION SERVICE

CCC's valuation service is known as CCC Valuescope or CCC ONE Valuation (together "CCC ONE Valuation"). CCC ONE Valuation is designed to provide current, local market valuations based upon actual cars similar to the loss vehicle that are or recently were offered for sale in the area of the loss vehicle, consistent with existing Connecticut law. *See* Section 38a-353 of the Connecticut General Statutes. This is accomplished by CCC's investment of substantial resources in constantly gathering and updating from throughout the state of Connecticut information on cars offered for sale by car dealers and private parties. When a request to perform a valuation is submitted, CCC searches its databases and identifies comparable vehicles in the local market area, adjusts their value to equate them to the loss vehicle in terms of mileage, options and condition, and averages those values to arrive at an actual cash value for the loss vehicle. As required under current Connecticut law, CCC then averages its value with the value obtained from the National Automobile Dealers Association guidebook ("NADA") or other publicly available automobile industry source approved by the Insurance Commissioner. Finally, this data is presented on a detailed valuation report, so that the user has full transparency into the manner in which the valuation amount was determined. Thus, CCC's service provides valuations based upon actual data, gathered locally, that is kept current, and that is itemized on the valuation report. As a result, CCC believes that its valuations are accurate and appropriate for use in adjusting insurance claims.

The detailed report explaining the valuation of the loss vehicle is presented by CCC to the policyholder's insurer, which in turn provides it to the claimant. The report lists all the comparable vehicles used in the valuation, including the contact information for the seller of the vehicle, the starting price of the vehicle and the adjusted price (after application of the above-described equating adjustments). From start to finish, however, the valuation process generally takes only a few minutes to complete (with the benefit of computerized automation), resulting in a much more rapid claims settlement process.

¹ The local markets monitored by CCC in Connecticut are reflected in the map attached as Exhibit A.

Although this brief summary necessarily omits a number of steps and details employed by CCC to ensure statistical validity, consistency and accuracy, it does provide the basic framework in which each total loss valuation is made. For purposes of considering the Proposed Bill, we would stress the following aspects of its service:

1. For each valuation, CCC provides a detailed multi-page report explaining the valuation methodology and listing all of the comparable vehicles used in the process; and
2. For each comparable vehicle used, the contact information of the seller of the vehicle is provided, thereby permitting easy verification of information about that vehicle.

III. THE GUIDEBOOKS

Unlike CCC, the publishers of both the NADA and Kelley guidebooks make it absolutely clear that neither NADA nor Kelley even purport to provide valuations for specific vehicles, let alone valuations that are current and tailored to local market conditions in specific markets.² To the contrary, the NADA and Kelley publications disclaim any responsibility for the accuracy of their values, they cover vast geographical areas, and they are only published periodically. Moreover, the user of the service is not told what specific data was used in calculating the value, thereby failing to provide any transparency into the manner in which valuations are derived.

A. THE GUIDEBOOK DISCLAIMERS

Both the NADA and Kelley publications expressly state that the valuations in their guidebooks do not set forth actual values. Rather, these publications state that the values are opinions and/or projections of the editors of the books, and there is simply no data provided whatsoever as to how the valuation of any particular vehicle was arrived at. This is expressly stated in the NADA publication, which states in no uncertain terms that it is only a "guide" and that it should not be considered absolute:

This Guide is designed and intended to assist subscribers in performing their own estimated evaluation of a particular used vehicle during the period of time for which the Guide is published. The process by which users of the Guide determine valuation is inherently subjective. *Individual vehicles may have an actual value that is higher or lower than the estimated values published in the NADA Official Used Car Guide.*

NADA Official Used Car Guide, Exhibit B at p.2 (emphasis added).

² It is an open question whether NADA can even be considered "independent" when the NADA Used Car Guide Company is a for-profit component of the National Automobile Dealers' Association, representing almost 90 percent of the franchise dealers in the country, who are, of course, the sellers of used vehicles.

The Kelley publication provides a similar disclaimer, warning the user that the values set forth in the guide are based upon the “opinion” of the staff and management and, thus, the guide does not contain actual values of the vehicles:

These values are the opinion of the staff and management of Kelley Blue Book and are arrived at after careful study of information we deem reliable. However, we assume no responsibility for errors or omissions. . . .

Suggested retail value represents dealers’ asking price and is the starting point for negotiations. . .

Kelley Blue Book Official Used Car Guide, Exhibit C at 2 (emphasis added).

As such, these publications by their own terms do not purport to provide the actual value for any particular vehicle. *See supra*. Rather, they simply serve as guides, leaving it to others to take into account relevant factors such as local market conditions, specific options, etc. In fact, NADA even goes so far as to state it does not vouch for the accuracy of its data. *See NADA Official Used Car Guide, Exhibit B at 2* (“All values contained within the NADA Official Used Car Guide are the opinions of NADA’s editorial staff. The values are provided as is. NADA, its subsidiaries and affiliated entities, make no warranty express or implied, including, without limitation, any warranty of merchantability or fitness for a particular purpose and they assume no responsibility for the accuracy of the values or other information published herein.”). Kelley does likewise. *See Kelley Blue Book Official Used Car Guide, Exhibit C at 2* (“[W]e assume no responsibility for errors or omissions.”). Moreover, Kelley candidly acknowledges that the “suggested retail value” represents “dealers’ asking price” and is “the starting point for negotiation.” *Id.* Thus, both NADA and Kelley do not even purport to provide the actual value of vehicles.

B. OTHER EVIDENCE OF GUIDEBOOK LIMITATIONS

The NADA and Kelley guidebooks provide data for substantial geographical areas and are only updated on a monthly, quarterly or semi-quarterly basis, depending upon the guidebook and the age of the vehicle. For example, the most recent edition of the NADA Official Older Used Car Guide (which covers vehicles over eight years of age) purports to contain data that is applicable on a *national* basis for an entire four-month period. *See NADA Official Older Used Car Guide, Exhibit D*. Thus, vehicles in Hartford are assumed to have the same values as vehicles in New York City, Miami, Chicago, Fargo, Seattle, and Los Angeles. The NADA guide for newer vehicles has an Eastern Edition, which covers Connecticut, Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania, Tennessee (Sullivan County), Virginia, and West Virginia. *See NADA Official Used Car Guide Eastern Edition, Exhibit B*. In addition to these geographical and currency issues, the NADA guide does not account for the value of much optional equipment, NADA’s editors believing “most optional equipment retains little or no value on older vehicles.” *See id.* at 2; *NADA Official Older Used Car Guide, Exhibit D at 2*.

Other common valuation manuals are similar in geographic scope. Like NADA, The Kelley Blue Books make no effort to tailor their valuations to the specific market conditions of Connecticut.

For example, the *Kelley Blue Book Used Car Guide, Consumer Edition*, which includes 1995-2009 model years of cars and trucks, is national in scope, also providing the same value for a vehicle garaged anywhere in the country. See Exhibit E. The *Kelley Blue Book Official Guide, Northeast Edition* includes 2004 to 2010 cars and trucks and lumps Connecticut vehicles in a region along with Delaware, District of Columbia, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia. See *Kelley Blue Book, Northeast Edition*, August 2010, Exhibit C. The *Kelley Blue Book Official Guide for Older Cars, Central/Eastern Edition* includes forty states in its valuations of older vehicles. See, e.g., *Kelley Blue Book Used Car Guide for Older Cars, Sept.-Dec. 2008*, Exhibit F.

IV. PROPOSED BILL DOES NOT FURTHER CONSUMERS' INTERESTS.

The changes suggested in the Proposed Bill are not necessary, as they will not further consumers' interests. First, the law currently vets automobile industry sources by limiting sources that may be used in formulating a settlement to those approved by the Insurance Commissioner. Removing the approval process to allow any source identified by the insurer and insured so long as its "publicly available," with no accountability or disclosure as to how the value is derived, may harm consumers. Second, the law in Connecticut was recently changed to provide greater transparency to consumers, and those changes have only recently gone into effect. It is premature to say that the new changes are insufficient. Furthermore, the Proposed Bill does not promote the goal of transparency to consumers, as the Proposed Bill would allow sources based on unsubstantiated opinions to be used, so long as they were "publicly available." Consumers are more protected by having accurate valuations, as shown on detailed reports, as opposed to relying on a blackbox number listed on the internet. Finally, the Proposed Bill as written is not viable as the Proposed Bill does not provide guidance on how to resolve inevitable disputes where there is a wide variation in the values provided.

A. Currently, only sources approved by the Insurance Commissioner may be used.

Under Section 38a-353(a) of the Connecticut General Statutes, the Insurance Commissioner must approve automobile industry sources that may be used in calculating the value of the total loss vehicle for purposes of settlement, regardless of whether the source is "publicly available." This approval process allows the Connecticut Insurance Department to ensure that only automobile industry sources they deem reliable be used. By removing this requirement and allowing any source, regardless of whether the source is willing to stand behind its valuation, to be used, consumers will receive a less accurate and less complete valuation of their total loss vehicle. At present, CCC ONE Valuation, as compared to valuation manuals, plainly uses more localized data, uses comparable vehicles more similar to the loss vehicle, and provides considerably more transparency. Thus, prohibiting sources such as CCC, while endorsing other valuation manuals which operate in a blackbox and do not give insurers the necessary tools to provide a complete and accurate valuation would result in harm to the consumer.³

³ Furthermore, we believe it would be a violation of equal protection and due process to discriminate against sophisticated computerized valuation systems. See, e.g. *City of Cleburne v. Cleburne Living Ctr.*, 473 U.S. 432, 439 (1985) (explaining the need for equal protection under

B. The Statute already provides greater transparency to consumers.

Public Act 10-07 amended Section 38a-353 of the Connecticut General Statutes and went into effect a little over a month ago, on January 1, 2011. That Act added requirements to provide consumers with greater transparency by requiring insurers, in part, to provide the claimant with (1) a detailed copy of the insurer's calculation of a total loss vehicle's value, (2) a copy of any valuation report provided to the insurer by any automobile industry source that is not publicly available, and (3) a written notice advising the claimant of his right to dispute a settlement. This put the insurer and the insured on the same footing, as once the valuation report is run on a total loss vehicle and the report is shared, both the insurer and the insured have the exact same information. There has not been sufficient time yet to study whether the changes in the law are sufficient. As noted above, the CCC report explains how the valuation amount was derived and includes all comparable vehicle data. In contrast, publicly available guidebooks merely provide a number which purports to represent an editor's opinion.

C. The Proposed Bill if passed would cause problems in settling claims.

The Proposed Bill looks to require "at least the average of the retail values given such vehicle by any publicly available sources provided by the insurer and the insured" in determining the value of a total loss vehicle for purposes of settling a claim. But, without further guidance, this will be problematic because wide variations in value may exist across sources--especially because many of the "publicly available" sources are based on opinions and self-admittedly do not necessarily provide an accurate valuation, nor are they willing to be held responsible for any reliance on their valuation. Indeed, as referenced above, NADA and Kelley Blue Book admittedly acknowledge that the true value of a vehicle may be different than the opinion they provide. This lack of precision can result in inaccurate values.

Another example of the problems presented by the Proposed Bill is that the Proposed Bill would allow an insured to use the Kelley Blue Book's Suggested Retail Value for purposes of calculating the value for settlement purposes. However, Kelley Blue Book itself does not believe that its Suggested Retail Value should be used for that purpose. Rather, Kelley Blue Book states that the *Private Party Value*—which is lower than the Suggested Retail Value—should be used for insurance purposes. Exhibit E ("Private Party Value ... may also be used to derive Fair Market Value for insurance ... purposes.") Thus, under the language of the Proposed Bill an insurer would be able to use a source in a way that the source itself does not intend or believe is proper.

the United States Constitution); *Boddie v. Connecticut*, 401 U.S. 371, 377-79 (1971) (explaining the need for due process under the United States Constitution). "Regulations imposed on a lawful business cannot exceed what is reasonably necessary to accomplish their purpose." *Fair Cadillac-Oldsmobile Isuzu Partnership v. Bailey*, 229 Conn. 312, 323 (1994) (internal quotation omitted). Here, the fact that valuation sources must be approved by the Insurance Commissioner is sufficient to accomplish the purpose of protecting the consumer.

For example, publicly available sources valuing the same 2005 GMC Envoy may vary by several thousands of dollars. *See* Exhibit G. The Kelley Blue Book Private Party Value in excellent condition is listed at \$14,395 versus the Kelley Blue Book Suggested Retail Value of \$16,595, for a difference of over \$2000. *Id.* That variation widens when considering other sources such as Clearbook (\$17,989) and Edmunds (\$13,865). *Id.* Allowing unverified opinions to be used for purposes of calculating the value of the loss vehicle will result in inaccurate valuations and disputes.

CONCLUSION

In light of the foregoing concerns, we would urge the Committee to reject the Proposed Bill. The 2010 amendments to Section 38a-353 of the Connecticut General Statutes only have been in effect since January 1, 2011. The current statute already protects consumers, as only sources approved by the Insurance Commissioner may be used, and the insurer must provide a detailed copy and report of how the value of the total loss vehicle was derived. Furthermore, as currently drafted, the Proposed Bill would work to the detriment of Connecticut consumers, and they would amount to a serious deprivation of the rights of CCC, insurers and other valuation providers.

Respectfully submitted,



Jennifer M. Rhodes
Director of Regulatory Affairs



Valuation

Connecticut Local Market Definitions

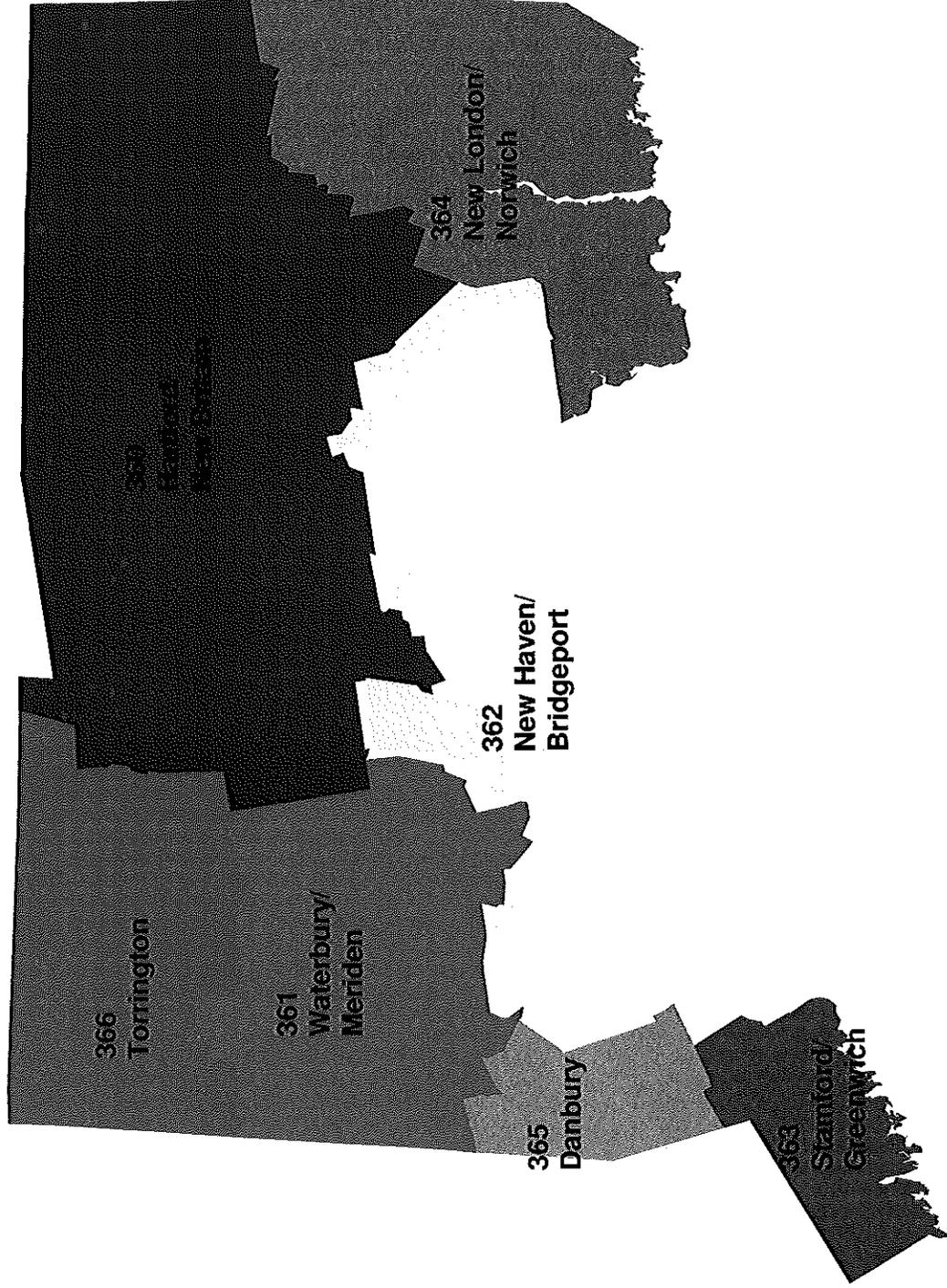


EXHIBIT A

EXHIBIT B

Eastern Edition

NADA

**OFFICIAL
USED CAR
GUIDE™**

2004 THROUGH 2011
PASSENGER CARS
LIGHT-DUTY TRUCKS

Since 1933

2011 – FEBRUARY – 2011

Publisher's Note

The used vehicle values in the NADA Official Used Car Guide* are developed by NADA's editorial staff, based on many sources of information. These sources include wholesale and retail transaction data from each region for which the Guide is published.

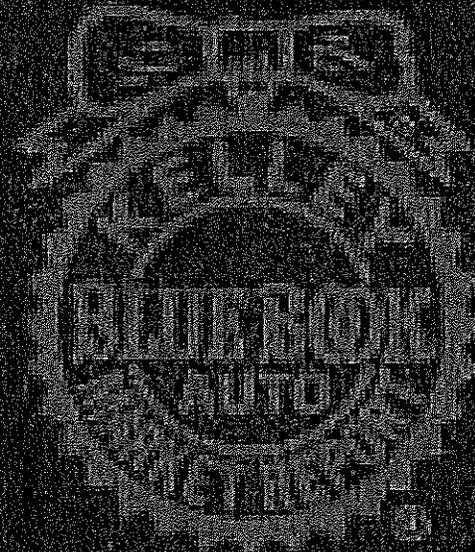
This Guide is designed and intended to assist subscribers in performing their own estimated valuation of a particular used vehicle during the period of time for which the Guide is published. The process by which users of the Guide determine valuation is inherently subjective. Individual vehicles may have an actual value that is higher or lower than the estimated values published in the NADA Official Used Car Guide*.

Vehicle condition should be considered when determining a vehicle's value. Since the actual condition of individual vehicles varies greatly, users of this Guide and its derivative products may need to make independent adjustments for a variety of condition-based factors not specifically accounted for by NADA.

Only the more popular optional equipment that NADA believes retains value in the secondary market is listed in the Guide. NADA's editors believe that most optional equipment retains little or no value on older vehicles. This is especially true of options that cost relatively little when new and/or deteriorate with age or use. Unless otherwise stated, all vehicles are assumed to be equipped with automatic transmission, air conditioning, compact disc player and power steering. For additional standard equipment, please review each vehicle's listing (refer to Optional Equipment section for additional information).

All values contained within the NADA Official Used Car Guide* are the opinions of NADA's editorial staff. The values are provided as-is. NADA, its subsidiaries and affiliated entities make no warranty express or implied, including, without limitation, any warranty of merchantability or fitness for a particular purpose and they assume no responsibility for the accuracy of the values or other information published herein. NADA, its subsidiaries and affiliated entities, will not be liable for any special, incidental or consequential damages resulting from any use of this publication, including, without limitations, lost profits.

EXHIBIT C



OFFICIAL GUIDE

Best Equipment

August 2010

2014 *MSRP USED CAR VALUES

Northeast Edition

INFORMATION AND EXPLANATION

These values are the opinion of the staff and management of Kelley Blue Book and are arrived at after careful study of information we deem reliable. However, we assume no responsibility for errors or omissions.

LIST PRICES represent the original suggested retail price (including destination charges) for vehicles equipped as indicated on the equipment chart.

AUCTION VALUE is what a vehicle is expected to sell for at a wholesale auction. The Auction Value assumes the seller has properly disclosed the condition of the vehicle. It does not include buyer's fees or the buyer's transportation costs and assumes the vehicle has not yet been fully reconditioned, inspected and prepared for retail sale.

WHOLESALE LENDING VALUE is a trusted benchmark value for wholesale and retail lenders. Based on Kelley Blue Book's Auction Value, the Wholesale Lending Value assumes that the vehicle is in good or excellent condition, fully reconditioned, inspected and prepared for retail sale.

SUGGESTED RETAIL VALUE represents dealers' asking price and is the starting point for negotiation. This value assumes that the vehicle has been fully reconditioned and has a clean Title history.

EQUIPMENT SCHEDULES are provided for cars on pgs. 9 through 21 and for trucks/vans on pgs. 300 through 302. To the right of each model heading is the schedule that particular model should use. Base prices for all models include the equipment as indicated by asterisks on the equipment charts plus AM/FM. Any equipment following a model listing will supersede equipment listed on a chart.

Values to be deducted are enclosed in parenthesis.

Add or subtract for each item that is listed separately even if it is part of a package you have already added for or if it is original standard equipment.

Premium Sound refers to a complete upgraded sound system (i.e. Bose, JBL, Infinity) not simply speakers or an equalizer.

Premium Wheels are a special or upgraded set of wheels, not just a set of alloy wheels. This would be used for custom, designer or chromed alloy wheels. Add for either but not both.

Navigation System applies to a built-in dashboard or console-mounted global positioning system.

Rear Spoiler (factory type) bolt-on trunk-mounted spoilers. It does not apply to "Lip-Spoilers" that are merely a raised contour in the trunk lid.

KELLEY BLUE BOOK

USED CAR GUIDE REGIONS

WESTERN EDITION

Arizona
California
Colorado

Guam
Hawaii
Nevada

New Mexico
Utah

NORTHWEST EDITION

Alaska
Idaho

Montana
Oregon

Washington
Wyoming

CENTRAL EDITION

Arkansas
Illinois
Indiana
Iowa
Kansas

Minnesota
Missouri
Nebraska
North Dakota

Oklahoma
South Dakota
Texas
Wisconsin

NORTHEAST EDITION

Connecticut
Delaware
District of Columbia
Maine
Maryland
Massachusetts

Michigan
New Hampshire
New Jersey
New York
Ohio

Pennsylvania
Rhode Island
Vermont
Virginia
West Virginia

SOUTHEAST EDITION

Alabama
Florida
Georgia
Kentucky

Louisiana
Mississippi
North Carolina
Puerto Rico

South Carolina
Tennessee
Virgin Islands

EXHIBIT D

National Edition

NADA

OFFICIAL
OLDER
USED CAR
GUIDE

1992 THROUGH 2003
PASSENGER CARS
LIGHT-DUTY TRUCKS

78 Years of Service

2011 • JANUARY THROUGH APRIL • 2011

Publisher's Note

The used vehicle values in the NADA Official Older Used Car Guide are developed by NADA's editorial staff, based on many sources of information. These sources include wholesale and retail transaction data.

This Guide is designed and intended to assist subscribers in performing their own estimated valuation of a particular used vehicle during the period of time for which the Guide is published. The process by which users of the Guide determine valuation is inherently subjective. Individual vehicles may have an actual value that is higher or lower than the estimated values published in the NADA Official Older Used Car Guide.

Vehicle condition should be considered when determining a vehicle's value. Since the actual condition of individual vehicles varies greatly, users of this Guide and its derivative products may need to make independent adjustments for a variety of condition-based factors not specifically accounted for by NADA.

Only the more popular optional equipment that NADA believes retains value in the secondary market is listed in the Guide. NADA's editors believe that most optional equipment retains little or no value on older vehicles. This is especially true of options that cost relatively little when new and/or deteriorate with age or use. Unless otherwise stated, all vehicles are assumed to be equipped with automatic transmission, air conditioning, compact disc player (and/or AM/FM stereo cassette), power steering, and rear window defroster. For additional standard equipment, please review each vehicle's listing (refer to Optional Equipment section for additional information).

The publisher does not assume responsibility for the accuracy of the values. Any reproduction of this publication without express written consent of the owner is strictly prohibited.

Please use this guide as it is intended, as a guideline only.

EXHIBIT E

\$9.95

Blue Book[®] Used Car Guide



1995-2009

Used Car & Truck

*Private Party Trade-In
Retail Values*

October-December 2010

Kelley Blue Book



USED CAR GUIDE Consumer Edition 1995 – 2009 Models

Vol. 18

October—December 2010

No. 4

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We assume no responsibility for errors or omissions.

Official Guidebooks Since 1926

INTRODUCTION

Since 1926, Kelley Blue Book has provided the automotive industry with used vehicle values. Today we are the trusted resource relied upon by both the automotive industry and consumers. This **Consumer Edition** has been prepared to provide values and information relevant to the different types of consumer transactions.

What is a guidebook?

A guidebook such as this one is just that, a guide. To produce the most timely, accurate and trusted used vehicle values, Kelley Blue Book's pricing analysts constantly collect and review new and used vehicle transaction data, as well as information on each vehicle's current supply and demand. They then meticulously determine and report used car values based on real market information.

This guidebook represents the educated opinion of Kelley Blue Book's staff and each value is determined after carefully studying information we deem complete and reliable. We assume no responsibility for errors or omissions.

Is this book the same as the Kelley Blue Book trade publication?

This book contains the trusted values you have come to expect from Kelley Blue Book. The values in the Consumer Guide represent transactions relevant to consumers including Trade-In, Private Party and used Retail Values.

What is the difference between Trade-In, Private Party and Retail Values?

Kelley Blue Book provides several different values representing different types of transactions:

Trade-In Value is what consumers can expect to receive from a dealer for a Trade-In vehicle assuming an accurate appraisal of condition. This value will likely be less than the Private Party Value because the dealer incurs the cost of safety inspections, reconditioning and other costs of doing business.

Kelley Blue Book factors the following into our Trade-In values:

Safety Inspections — The dealer will incur the cost of inspecting and repairing the vehicle to ensure that it meets government requirements for safety and smog emissions.

Reconditioning — Before reselling a vehicle a dealer can spend hundreds or even thousands of dollars performing repairs, routine maintenance and cosmetic detailing and touch up.

The dealer also hopes to make a fair profit for its efforts.

INTRODUCTION

Private Party Value is what a buyer can expect to pay when buying a used car from a private party. The Private Party Value assumes the vehicle is sold "As Is" and carries no warranty (other than the continuing factory warranty). The final sales price will vary depending on the vehicle's actual condition and local market conditions. This value may also be used to derive Fair Market Value for insurance and vehicle donation purposes.

Suggested Retail Value is representative of dealers' asking prices and is the starting point for negotiation between a consumer and a dealer. This Suggested Retail Value assumes that the vehicle has been fully reconditioned and has a clean Title History. This value also takes into account the dealers' profit, costs for advertising, sales commissions and other costs of doing business. The final sales price will likely be less depending on the vehicle's actual condition, popularity, type of warranty offered and local market conditions.

How does Condition affect the value of the vehicle and what is the difference between "Fair," "Good," and "Excellent" ratings? There is never a single correct value for a used vehicle. The value of a vehicle depends on several factors, most importantly condition and overall appearance. Supply and demand for a particular vehicle, local market conditions and the economy also play a role in determining a car's value.

Kelley Blue Book provides additional values for used vehicles in each of the following conditions:

"Excellent" condition means that the vehicle looks new, is in excellent mechanical condition and needs no reconditioning. This vehicle has never had any body or paint work and is free of rust. The vehicle has a clean Title History and will pass a smog and safety inspection. The engine compartment is clean, with no fluid leaks and is free of visible defects. The vehicle also has complete and verifiable service and maintenance records. Less than 5% of all used vehicles fall into this category.

"Good" condition means that the vehicle is free of any major defects. This vehicle has a clean Title History, the paint, body and interior have only minor (if any) blemishes and there are no major mechanical problems. There should be little or no rust on this vehicle. The tires match and have substantial tread wear left. A "good" vehicle will need some reconditioning or routine servicing to be sold at retail. Most consumer owned vehicles fall into this category.

"Fair" condition means that the vehicle has some mechanical or cosmetic defects and needs servicing but is still in reasonable running condition. This vehicle has a clean Title History, the paint, body and/or interior need work performed by a professional. The tires may need to be replaced. There may be some repairable rust damage.

EXHIBIT F



OFFICIAL GUIDE FOR OLDER CARS

September-December
2008

1988-2001 CAR & TRUCK VALUES
Central/Eastern Edition

KELLEY BLUE BOOK OLDER CAR GUIDE REGIONS

WESTERN EDITION

Alaska	Hawaii	Oregon
Arizona	Idaho	Utah
California	Montana	Washington
Colorado	Nevada	Wyoming
Guam	New Mexico	

CENTRAL/EASTERN EDITION

Alabama	Maryland	Oklahoma
Arkansas	Massachusetts	Pennsylvania
Connecticut	Michigan	Puerto Rico
Delaware	Minnesota	Rhode Island
District of Columbia	Mississippi	South Carolina
Florida	Missouri	South Dakota
Georgia	Nebraska	Tennessee
Illinois	New Hampshire	Texas
Indiana	New Jersey	Vermont
Iowa	New York	Virgin Islands
Kansas	North Carolina	Virginia
Kentucky	North Dakota	West Virginia
Louisiana	Ohio	Wisconsin
Maine		

EXHIBIT G

Summary

2005 GMC Envoy

CCC	Major Wear	Normal Wear	Dealer Ready	Exceptional
	\$11,565	\$14,528	\$15,230	\$16,590

Clearbook	Low	Average	High
	\$13,737	\$15,863	\$17,989

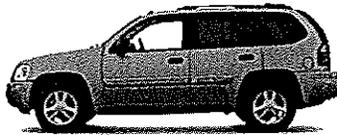
Edmunds	Private Party	Dealer Retail
	\$12,482	\$13,865

KBB Private Party	Fair	Good	Excellent
	\$12,042	\$13,495	\$14,395

KBB Retail	Excellent
	\$16,595

NADA Consumer	Clean Retail
	\$15,600

NADA Business	Clean Retail
	\$15,825



2005 GMC Envoy USED CAR PRICE REPORT

YEAR: 2005
STYLE: All Styles (1268)

Analyzed Model Listings: **2,018**
Price Certainty: **84.36%**
Total Vehicles for Sale: 4,701
Updated: 02/07/11 5:08am PST

Used Car List Prices for 2005 GMC Envoy In Your Area

How does your vehicle compare?
Enter a few quick facts to see how your price compares to other vehicles listed in the market!

Step 1 Mileage:

Step 2 Condition:

Compare Vehicles in the Market With:

ENGINE: 4.2 L (1025) Unspecified (118)
 5.3 L (125)

DRIVETRAIN: 2WD (328) AWD (5)
 4WD (882) Unspecified (73)

TRANSMISSION: Automatic (1267) Manual (1)

Filter Results by Optional Equipment:
Select from the vehicle equipment shown below to compare only listings that have matching options.

5-Passenger Seating (1)

Market Price | **Current Listings**

Used Vehicles Listed for Sale: **National (110)** Local (1)

Your Vehicle Price	Low \$13,737	Average List Price \$15,863	High \$17,989
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Market Low	Market Average	Market High
\$8,375	\$16,322	\$24,828

2005 GMC Envoy - Prices with Options Results



[Photos](#)

[Videos](#)

[360](#)

06101

UPDATE

Pricing for
Hartford, CT

True Market Value®

Trade-in	\$10,792
Private Party Sale	\$12,482
Dealer Retail	\$13,865

[Find 2005 GMC Envoy Listings Near You](#)

[VIEW INVENTORY](#)

AutoTrader.com

Pricing Details for a GMC Envoy Denali

5.3L V8 4x4 4-speed Automatic

Customized True Market Value® Prices

	Trade-In	Private Party	Dealer Retail
National Base Price	\$10,737	\$12,418	\$13,794
Optional Equipment	\$0	\$0	\$0
Color Adjustment - Steel Gray Metallic	\$19	\$22	\$25
Regional Adjustment - for Zip Code 06101	\$36	\$42	\$46
Mileage Adjustment - 85,000 miles	\$0	\$0	\$0
Condition Adjustment - Clean	\$0	\$0	\$0
Total	\$10,792	\$12,482	\$13,865

2005 GMC Envoy Denali Sport Utility 4D

- ▶ Trade-In Value
- ▶ Private Party Value
- ▶ Suggested Retail Value
- ▶ CPO Value
- ▶ Photo Gallery
- ▶ Cars For Sale NEW!
- ▶ Compare Vehicles
- ▶ Blue Book Review
- ▶ Consumer Ratings
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- ▶ Specifications

BUY A USED CAR On Blue Book Classifieds™

GMC

Envoy

75 Miles

BLUE BOOK® PRIVATE PARTY VALUE >WHAT'S THIS



More Photos

Condition <small><WHAT'S THIS?</small>	Value
Excellent	\$14,395
Good	\$13,495
Fair	\$12,045

NEXT STEP: [SEARCH LOCAL LISTINGS ▶](#)

CARFAX Record Check

Powered by **CARFAX**

VIN:

▶ No VIN? No Problem!

2005 GMC Envoy Denali Sport Utility 4D

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- For Sale Near Hartford

BLUE BOOK® SUGGESTED RETAIL VALUE >WHAT'S THIS



More Photos

Condition <small><WHAT'S THIS?</small>	Value
Excellent	\$16,595

Suggested Retail Value Assumes Excellent Condition *More*

NEXT STEP: [SEARCH LOCAL LISTINGS ▶](#)

Consumer

2005 GMC ENVOY XL-1/2 Ton-I6

Utility 4D Denali (4WD, V8)

print email



Pricing	Rough Trade-In	Average Trade-In	Clean Trade-In	Clean Retail
Base Price	\$9,925	\$11,125	\$12,100	\$15,300
Mileage: 85,000	N/A	N/A	N/A	N/A
Power Seat	Std.	Std.	Std.	Std.
Bose Premium Stereo	Std.	Std.	Std.	Std.
Leather Seats	Std.	Std.	Std.	Std.
Fixed Running Boards	\$100	\$100	\$100	\$125
Towing/Camper Pkg	\$150	\$150	\$150	\$175

TOTAL PRICE \$10,175 \$11,375 \$12,350 \$15,600*

* This Retail price is based on a [clean vehicle history report](#). Don't make a \$15,600 mistake. Find out why [AutoCheck](#) is better than Carfax. Get a [Free VIN Check](#) today.

Business

Period: 2011 January
 Region: Connecticut
 VIN: Decode
 Reference #:
 Year: 2005
 Make: GMC LIGHT DUTY
 Series: Envoy-V8
 Body: Utility 4D Denal 4WD
 Mileage: 85000 Adjustment: \$0
 MSRP: \$40,455 Weight: 4,612

	Trade-In	Loan	Retail
<input checked="" type="checkbox"/> Bose Premium Stereo	0	0	0
<input checked="" type="checkbox"/> Fixed Running Boards	100	100	125
<input checked="" type="checkbox"/> Leather Seats	0	0	0
<input checked="" type="checkbox"/> Luggage Rack	50	50	75
<input type="checkbox"/> Navigation System	700	700	800
<input type="checkbox"/> Power Seat	0	0	0
<input type="checkbox"/> Power Sunroof	450	450	500
<input type="checkbox"/> Rear Entertainment System	400	400	450
<input checked="" type="checkbox"/> Towing/Camper Pkg	150	150	175
<input type="checkbox"/> W/out Cruise Control	-125	-125	-125
<input type="checkbox"/> Winch	225	225	250

	Rough Trade-In	Average Trade-In	Clean Trade-In	Clean Loan	Clean Retail
Base:	\$10,050	\$11,250	\$12,225	\$11,025	\$15,450
Mileage Adjustment:	\$0	\$0	\$0	\$0	\$0
Options Adjustment:	\$300	\$300	\$300	\$300	\$375
Adjusted Value:	\$10,350	\$11,550	\$12,525	\$11,325	\$15,825

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