SYNERGY COLLISION AUTO BODY

ONE SEAMLESS REPAIR

TOTAL LOSS NAVIGATION GUIDE

Understanding a Total Loss: Initial Offers Are a Negotiation

When an insurer declares your vehicle a "total loss," their initial payout valuation is **an opening offer—not a final decree**. Insurance companies use automated valuation software (such as CCC ONE) that frequently undervalues vehicles by pulling distant or non-equivalent comparables. You have the right to negotiate for full fair market value.

1. HOW TOTAL LOSS IS CALCULATED & WHAT YOU ARE OWED

The Total Loss Formula

An insurance company declares a vehicle a total loss based on state laws or internal threshold formulas:

- **Total Loss Formula (TLF):**
  Cost of Repairs + Salvage Value ≥ Actual Cash Value (ACV)
- **Percentage Threshold:** In many states, if repair costs reach **70%–80%** of the vehicle's ACV, it must be totaled by law.
- **Hidden Damage Impact:** Tear-down supplements can push repair estimates over this threshold when significant damage is found underneath.

What You Are Legally Owed

You are entitled to a payout that allows you to replace your vehicle in today's current retail market:

- **Current Market ACV:** Fair market retail price for the same year, make, trim, condition, and similar mileage.
- **Sales Tax Reimbursement:** Applicable state/local sales tax on the total valuation amount.
- **Title & Tag Fees:** License plate transfer, registration, and title documentation fees required to replace your vehicle.

2. HOW TO DISPUTE & BUILD YOUR COUNTER-OFFER

Do not accept the adjuster's first valuation report without verifying their research. Follow these steps to build concrete proof of your vehicle's true replacement value:

STEP 1

Gather 3–5 Comps

Search dealership listings (Autotrader, Cars.com) for **3 to 5 comparable vehicles** within a **100-mile radius** matching your trim & mileage.

STEP 2

Audit Valuation Report

Demand the adjuster's full valuation report. Check that all options, package trims, and pre-accident condition ratings are accurate.

STEP 3

Submit Written Proof

Send your local comps, plus receipts for recent major maintenance or new tires, to demand a formal settlement adjustment.

3. STILL AT A STALEMATE? USE YOUR POLICY APPRAISAL CLAUSE

Invoking the Policy Appraisal Clause (First-Party Claims)

If you are filing through **your own insurance policy** and cannot reach an agreement on fair vehicle value, review your contract for the **Appraisal Clause**. This legal clause allows you to hire an independent professional appraiser to evaluate your vehicle. Your appraiser and the insurer's appraiser select a neutral umpire to resolve discrepancies, legally binding the insurance company to pay a fair, unbiased valuation.