

Lawsuits allege popular valuation method lowballs the insured.

According to documents submitted in the discovery process for the case *Buratovich vs. Farmers Insurance Exchange and Farmers Insurance Co. of Arizona and CCC Information Services Inc*, Farmers' chose to use CCC Information Services' valuations solely because they resulted in the lowest payout for total loss claims.

Several other recent cases in state courts have brought scrutiny on the method insurance companies use to find the actual cash value of vehicles which have been totaled.

The Farmers' documents show Farmers chose to use CCC after a trial program which culled values from the National Automotive Dealership guide, local newspapers and local dealerships, increased their collision total loss costs by 31.8 percent.

Insurance companies use a variety of methods to arrive at the value of a totaled vehicle. All utilize some method of sampling the values of similar vehicles. The sources of these valuations range from the price of similar models at local dealerships, prices in the Kelly Blue book, NADA guide, local newspapers and classifieds.

Part of CCC's method involves sending Field Inventory Representatives to car dealerships nationwide and obtaining not the asking price, but the lowest possible price that the dealer would "take" for the vehicle. Consumers whose settlements are based on a valuation method based on the "take" price could find a sizable gap between what they receive for a totaled vehicle and what they need to replace it.

The courts are still deciding whether CCC's method is a fair way to value vehicles. It is still uncertain if auto insurance companies have any liability for using CCC's database to pay out less in total collision settlements.

If you do suffer a total loss on your vehicle, you stand a better chance of recovering its value if you personally research the value of similar vehicles in your area and then closely compare that valuation with the one from your insurance company. If they are different you have a right to confront your agent with your research.

To find out more about your rights as an insured motorist visit [know your rights.](#)