



## What if I Have a Total Loss?

The following information may help you better understand the total loss process and some of the terms commonly used when referring to total loss vehicles.

### What does “total loss” mean?

Total loss is a term used when the cost of repairing the vehicle exceeds a certain percentage of the vehicle’s actual cash value.

In addition, a vehicle may be deemed a total loss if:

- Your state law requires the vehicle to be a total loss based on the damages, or
- The vehicle is not safe to repair or both.

### How is my “actual cash value” calculated?

Determining your vehicle’s actual cash value requires two steps:

- We evaluate your vehicle and take into consideration several factors such as year, make, model, options, mileage and condition.
- We compare your car to similar vehicles in the local market using an independent source and adjust its value according to any differences.

We follow your policy contract and state’s guidelines throughout the evaluation process.

### What is the next step?

Once your vehicle is inspected, your claim representative will contact you to go over the vehicle evaluation and discuss the total loss process. If you are not planning on retaining the vehicle, your claim representative can assist in having the vehicle moved to a secure, storage-free facility during the settlement process.

#### Prior to concluding settlement:

- Remove all personal belongings from the vehicle prior to the vehicle being moved, if possible.
- Locate all the vehicle’s keys.
- If there is a loan on the vehicle, please locate your lender’s contact information and loan number.
- Locate the title (if available).
- Delete any personal information in the vehicle’s navigation or phone system.
- Return any required documentation requested by us promptly.
- Contact your agent to discuss continuing coverage options.

### What if I have a loan on my vehicle?

It is a good idea to advise your financial institution that your vehicle has been declared a total loss by your insurance company. We will make contact to obtain information about the loan. Your financial institution has the right of first payment before any payment is made to you. If you owe more than your vehicle's actual cash value, please be sure to remain current on your regularly scheduled payments until the loan balance is cleared.

### What if I owe more money to the loan company than the settlement?

Farmers will pay the full amount of the total loss settlement amount to the loan company. If this does not cover your loan, please check to see if you have purchased additional gap insurance coverage. Gap insurance is an optional coverage typically purchased when the vehicle is financed. This coverage may pay the difference between the settlement amount and what is owed on the loan.

If you do not have gap insurance you may be responsible for the remaining loan balance. Some finance companies may agree to include this remaining balance in a loan for a new vehicle.

### What if I am leasing my vehicle?

If you leased your vehicle, your claim representative will contact your lessor to determine the balance owed on the vehicle. Once all documentation is received from the lessor and the vehicle is secured, payment(s) will be issued.

Many institutions allow any residual amount to be paid to you in the event that the settlement is greater than the lease amount.

### Can I keep my car?

There are several factors, including the presence of a loan and state-specific statutes, that factor into the ability to retain your vehicle. If you choose this option, we'll adjust your settlement by the salvage price and adjust for any state taxes and fees. You may have to report your vehicle to your Department of Motor Vehicles (DMV) as salvaged, and in some cases certain body shops may not be willing to repair a vehicle that has been declared a total loss. Keep in mind that you may not be able to carry first-party collision coverage on the vehicle. It is a good idea to consult with your Farmers agent about your auto coverage options.

If you have any other questions, contact your claim representative.

### Can I rent a vehicle?

If you have purchased rental coverage, your claim representative can review your coverage limits and review the number of days covered based on your specific policy.

- Policy coverage may change in the event of a total loss. Your claim representative can help explain your coverage in more detail.

If you have not purchased rental coverage or would like to remain in the rental for additional days past your coverage limits, you may choose to take advantage of the Farmers discounted rates at your own expense.

### When and how when will I be paid?

Several factors must be resolved before a total loss settlement payment can be issued:

- Required documentation (if applicable) must be signed and returned back to the claim representative
- If the vehicle is not being retained, it must be picked up by our salvage company.
- Any additional keys that were not sent with the vehicle will need to be sent back.
- If there is a loan on the vehicle, the proper paperwork must be received from your loan company.

There are multiple payment methods to settle your claim:

- Direct deposit (Electronic Funds Transfer / EFT) is usually the quickest method to get the total loss settlement payment to you. Payment is typically received by your financial institution within 1-2 business days after issuance.
  - Direct deposit can be set up via the Claims Status Portal.
  - We also offer direct deposit setup via phone. Your claim representative can assist in setting this up for you, at your request.

Only certain payments will be eligible to be sent electronically. In the event that direct deposit is not available, please contact your claim representative for alternative payment options.

### Are there resources for finding a replacement vehicle?

Consider Farmers® Car Shopping Service offered by TRUECar if you need to replace your vehicle.

*The Farmers Car Shopping Service is owned and operated by TrueCar, which is not affiliated with any of the companies comprising the Farmers Insurance Group of Companies.*

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