



Department of Business Regulation
Insurance Division
1511 Pontiac Avenue, Bldg. 69-2
Cranston, Rhode Island 02920

Consumer Alert

Car Buyers Urged to Beware of Flood-Damaged Vehicles

Each year, thousands of cars that have been damaged by accidents or floods are sold to unsuspecting consumers. Even if obvious cosmetic and mechanical problems – such as mildewed carpeting and upholstery or a broken alternator – are fixed prior to the sale, flood-damaged cars can pose significant safety risks and could require expensive repairs later. Flooding can permanently damage a car’s electrical system and sensitive electronics that manage the engine’s operation or control air bags, anti-lock brakes, and other safety components. This type of damage might not be evident until months after the flooding occurred. Taking a few precautions can help reduce your chances of unknowingly buying a damaged car.

- Check the vehicle’s title. In Rhode Island, any vehicle that has been declared by an insurance company to be a total loss because of extensive damage to that vehicle must obtain a salvage certificate of title. These vehicles can be repaired and resold in certain circumstances. There are 2 classifications of salvage. Classification A is “parts-only” and Classification B is “repairable”. However, sellers can sometimes conceal damage by moving a vehicle and its title to other states, a practice known as “title washing.” There are several ways to check a vehicle’s title:
 - The Rhode Island Division of Motor Vehicles “DMV” is currently titling vehicles that are 2001 and newer. Vehicles that are 10 years old and older are no longer titled in the State of Rhode Island. Visit the Rhode Island [DMV’s website](#) or call 401-462-5774 to obtain information on titles and salvage vehicles.
 - Search the [National Insurance Crime Bureau’s free VINCheck database](#). The database contains information about some flooded vehicles and watercraft.
 - View a detailed title history and damage report from a national database such as [CarFax](#), [Autocheck](#) or [Consumer Guide Automobile](#). Keep in mind that there may be a fee to view these reports.
- Inspect the vehicle for mud, residue, or stain marks under the dashboard and carpeting, musty odors inside the car or in the trunk, and mud or grit in engine

components or interior crevices. Check the undercarriage for signs of rust or metal flaking. A high-water mark on the engine block or rusted wires or other metal parts can also be indicators that the car was once flooded.

- Buy a certified used car or truck – one warranted by the automaker, not just an individual car dealer. Automakers exclude flood-damaged cars from their certified-car programs.
- Thoroughly test drive a used vehicle and have it inspected at an auto-body shop and a repair shop you trust.
- Be particularly careful buying cars online through auction sites and from individuals or used car lots.
- Keep in mind that new cars could also be flood-damaged.

If you believe a licensed motor vehicle dealer fraudulently sold you a flood vehicle, you may download a [complaint form](#) or call the DMV's Dealers License and Regulations Office at 401-462-5731, 462-5732, 462-5733, 462-5734. You may also directly contact the Rhode Island Attorney General's Consumer Protection Unit at 401-274-4400 for assistance or file a complaint with your local Better Business Bureau at <http://www.bbb.org>.

For more Information or Assistance: If you have questions about insurance, call the Rhode Island Insurance Division at 401-462-9520 or visit the [Division's website](#).

Joseph Torti III
Superintendent of Insurance
April 9, 2010