



NW Insurance Council

Consumer Alert

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Flood-damaged vehicles could end up rusting on a used car lot near you

PORTLAND, OR, September 28, 2023– Car buyers are urged to take precautions when buying a used vehicle now and in the coming months. Flood-damaged vehicles from recent floods across the nation that should go to the junkyard can end up on local car lots to be sold by unaware car dealers to unsuspecting buyers.

Used car buyers need to know that a standard Auto Insurance policy does not cover vehicles sold with pre-existing damage, including flood damage. If you buy a used vehicle and later discover that it was damaged from being submerged in flood waters, your Auto Insurance will not cover the cost of needed repairs.

A ‘flood vehicle’ is defined as a vehicle that has been completely or partially submerged in water to the extent that its mechanical components and electronic subsystems have been damaged or destroyed. Unscrupulous people buy the vehicles, clean them up to hide the flood damage then ship them to states unaffected by flooding to be sold as normal used cars. The scam artists also do not disclose the damage on the title document, which is a crime called “title washing.”

“One of the unfortunate side effects of our changing climate is an increase in the frequency and severity of floods, sometimes in places that have rarely - or never - experienced flooding in the past,” said Kenton Brine, NW Insurance Council President. “And sadly, there’s nothing new about unscrupulous people taking advantage of unsuspecting car buyers, which means buyers will need to do more careful research when buying used cars.”

If you are planning to buy a used vehicle, it’s important to know how to look for flood damage. NW Insurance Council, [NICB](#), and the [Insurance Information Institute](#) (I.I.I.) offer the following suggestions on how to spot a flood car:

- Choose a reputable car dealer. Check with the Better Business Bureau or Chamber of Commerce to find several in your area.
- Look for mildew, debris, and silt in places where it wouldn't normally be found, such as under the carpeting in the trunk, around the engine compartment, or behind the dashboard.
- Check for rust on screws and other metal parts.
- Look for water stains or faded upholstery as well as discoloration of seat belts and door panels.
- Inspect the vehicle for dampness in the floor and carpeting and moisture on the inside of the instrument panel.
- Check for a moldy odor or an intense smell of Lysol or deodorizer being used to cover up an odor problem.
- Have a certified mechanic inspect the vehicle before purchasing it. Many auto repair shops provide this service, sometimes – but not always – for a fee.
- Conduct a title search of the vehicle.

For more information about how to spot a flood car, visit the [NICB](#) website for more tips or run the vehicle identification number (VIN) through NICB’s free [VINCheck](#) tool. The

[National Motor Vehicle Title Information System](#) also offers an online tool for consumers to access important vehicle history information.

For more information about Property & Casualty Insurance, contact NW Insurance Council at (800) 664-4942 or visit www.nwinsurance.org.

NW Insurance Council is a nonprofit, insurer-supported organization providing information about home, auto and business insurance to consumers, media and public policymakers in Washington, Oregon and Idaho.

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