

## FLOOD DAMAGED VEHICLES

### What is a 'flood damaged vehicle'?

A "flood damaged vehicle" is defined by Indiana law (IC 9-22-3-2.5) as a passenger motor vehicle that satisfies either of the following:

1. The vehicle has been acquired by an insurance company as part of a damage settlement due to water damage.
2. The vehicle has been submerged in water to the point that rising water has reached over the door sill, has entered the passenger or trunk compartment, and has exposed any electrical, computerized, or mechanical component to water.

The law excludes a passenger motor vehicle that an inspection conducted by an insurance adjuster or estimator, a motor vehicle repairer, or a motor vehicle dealer determines:

1. has no electrical, computerized, or mechanical components that were damaged by water; or
2. has one (1) or more electrical, computerized, or mechanical components that were damaged by water and all such damaged components have been repaired or replaced.

### Must I apply for a salvage title for a 'flood damaged vehicle' on my lot?

Yes. If the vehicle meets any of the requirements for salvage and is not specifically exempted via the definition of a flood damaged vehicle, then you or your insurance company must apply for a salvage title bearing the brand "FLOOD DAMAGED".

The requirements for salvage title (IC 9-22-3-3) include the following:

1. An insurance company has determined that it is economically impractical to repair the wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle and has made an agreed settlement with the insured or claimant.
2. If the owner of the vehicle is a business that insures its own vehicles, the cost of repairing the wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle exceeds 70% of the fair market value immediately before it was wrecked or damaged.
3. *The motor vehicle is a flood damaged vehicle.*

### I have repaired or replaced the flood damaged parts. Must I still get a branded title?

If you have repaired or replaced *ALL* water damaged electrical, computerized, or mechanical component parts, you are exempt from the salvage title requirement. However, you must still file a 'flood damaged vehicle affidavit' (using the BMV's "Salvage Title Affidavit") and apply for a rebuilt title bearing the brand of "REBUILT FLOOD DAMAGED VEHICLE".

### What are my liabilities if I purchased a flood damaged vehicle without my knowledge and did not make the requisite disclosure when selling the vehicle?

Indiana law requires a licensed dealer to obtain an affidavit from the seller upon the date of the dealer's purchase ascertaining whether the vehicle is a flood damaged vehicle. (IC 9-22-3-7.5). If the seller gives the dealer a fraudulent affidavit, the seller is subject to civil liability for all damages incurred by a dealer, subsequent purchaser or transferee of the title, including reasonable attorney's fees and court costs. Your liability would be generally be limited to the extent of your knowledge as to the vehicle's flood damaged status.