

Total Loss

Has your car suffered damage so extensive that the cost to repair it would exceed what's it's actually worth now? If so, your car insurance company might label it a "total loss."

What Does Total Loss Mean?

Car insurance companies label a vehicle a "total loss" when the cost to repair the vehicle to its pre-damaged state exceeds the cost of the vehicle's worth, or [actual cash value](#).

Determining whether a vehicle is a total loss depends on several factors such as:

- The car insurance company. Although companies must follow certain state laws, they also can set their own standards for totaled vehicles.
- The vehicle's specific condition. Can the vehicle be repaired safely? Will it cost more to repair the vehicle than the vehicle is worth?
 - Adjusters will look at these factors.
- Individual state laws. Often, this means the vehicle must suffer a specific percentage of damage before it can be deemed a total loss.

Our claims department can walk you through each factor.

What Happens After a Total Loss?

The procedure varies among insurance companies, but generally your company asks for:

- Your vehicle's title and license plate.
- Each key to the vehicle.
- Your lienholder's contact information, if applicable.
 - (Some insurance companies leave contacting your lienholder up to you.)

How Much Will I Get After a Total Loss?

Your car insurance company pays the fair market value, or [actual cash value](#) (ACV), of your totaled vehicle. Simply put, a vehicle's ACV is the your car's current value after depreciation.

Should you choose to accept the ACV (and not [dispute the claim](#)), you could receive a full settlement or partial settlements.

These settlements can vary by provider, but below are some general principles:

- Full Settlement: You hand over the vehicle to the insurance company.
- Partial Settlement:
 - You have the option to salvage the vehicle or sell the totaled vehicle.
 - You have the option to donate the car to charity and receive an IRS tax write-off.

Ultimately, your decision will rely on your insurance company's options and your personal preference.

What if the Payment on My Claim Doesn't Cover My Loan?

Often times, the actual cash value doesn't cover the difference between what the vehicle's actual worth and the amount left on the loan or lease. This is where gap insurance comes in.

Essentially, if you have a loan or lease on your car, the payout goes to your lienholder or leasing company; if the ACV doesn't cover what's left on your loan or lease, your gap coverage can pick up the check.

Guaranteed Auto Protection, or [GAP insurance](#), protects you from having to pay the difference between your car's ACV and the amount remaining on your vehicle loan or lease.

Obtaining a Salvage Title

A salvage vehicle is one that's been deemed a total loss. Sometimes owners opt to junk the vehicle; other times, they decide to repair the vehicle and obtain a salvage title to register and operate or sell the vehicle.

Obtaining a salvage title varies from state to state. Please refer to our [Salvaged Vehicles section](#) and choose your state for specific information.

NOTE: Understand that not all insurance companies will [insure a salvage car](#). Talk with your insurance company first, or shop around for auto insurance companies that will cover your salvage.

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