

Whether they're destroyed in an accident, through vandalism, or by a natural disaster such as Hurricane Katrina, vehicles that are too damaged to repair profitably often end up as "salvage" in a scrap yard, cut up for parts, or stripped and shipped overseas as just another ingredient in the manufacture of steel.

Michigan defines a salvage vehicle as a late-model vehicle that will cost more than 75% but less than 91% of its pre-incident value to repair. "Late model" for a vehicle under 8,000 pounds is anything less than six years old. For larger vehicles, it's 16 years. You might also hear a salvage vehicle referred to as a vehicle that's been "totaled."

Life as a Salvage

When a car is declared salvage, its registration is retired and its title is replaced with a salvage title. Salvage titles are a different color?orange?than regular vehicle titles. They also list the vehicle's color and nonsalvageable parts. It's almost always the company that insures the vehicle that decides whether to total it and declare it salvage.

In Michigan, once it's salvage, a vehicle can't be operated on public roads. In addition to cars and trucks, motorcycles, trailer coaches, and titled trailers also can be declared salvage.

Licensed auto dealers in Michigan are allowed to buy salvage vehicles and reassign salvage titles, but they must give a written or printed disclosure to the buyer. This document certifies that the dealer informed the buyer the vehicle was previously a distressed vehicle.

Individuals also can buy totaled vehicles, but they must apply for a salvage title before the vehicle can be transported or towed. Owners may apply for an original salvage title at a Secretary of State branch office by completing an Application for Original Michigan Salvage Title (TR-12) form.

Dealers and other businesses can apply for a salvage title either at a branch office or by mail.

Life After Salvage

Salvage vehicles can end up back on the road after extensive, occasionally questionable repairs. Sometimes, dealers, shops, or individuals decide a totaled car is worth rebuilding or repairing. Once the work is complete, the car needs to undergo an extensive examination by a specially trained salvage vehicle inspector.

For a \$100 fee, the inspector will verify the ownership of the parts used in the rebuild and make certain the vehicle meets Michigan Vehicle Code requirements.

A list of certified salvage vehicle inspectors by geographic region and by county is available online. You can also call the Secretary of State's Program Operations Division at (517) 241-6850 for more information.

If the vehicle passes the inspection, titling it is simply a matter of bringing the salvage title, an Application for Salvage Vehicle Inspection (TR-13A), and an original Salvage Vehicle Recertification form (TR-13B, which is available only to law enforcement officers) to a Secretary of State branch office.

The cost for a rebuilt-salvage title is \$15.

The Scourge of Flood Damage

In Michigan, vehicles and trailer coaches that have suffered flood damage are in a special category of salvage vehicles. Those titles also are orange, but they are marked to indicate the flood damage.

Salvage vehicles can be an inexpensive alternative to buying full-priced vehicles, but they might carry problems that won't appear for a long time?particularly if the damage came from water.

For vehicles that suffered heavy body damage, postfactory parts might not fit as well, and more serious structural damage might not be apparent. And there are even more serious issues with vehicles that have suffered flood damage.

Saturated fabrics might appear to be problem free, but there could be hidden mold and mildew. The immersion also might

accelerate body and structural rust issues that won't be apparent for years. And it's a good bet that the electrical system got fried as soon as someone tried to turn on the ignition.