

Salvage vehicles are damaged vehicles that are declared total losses by insurance companies. They may also be recovered stolen vehicles for which insurance companies have already settled claims with the owners.

The following parties must obtain the proper ownership documentation for each salvage or nonrepairable vehicle they possess:

Private individuals

Insurance companies

Salvage dealers

Rebuilders

Demolishers

Salvage pools

Vehicle removal operators

Examples of ownership documentation include a salvage certificate, nonrepairable certificate, or certificate of title. The Virginia Department of Motor Vehicles (DMV) must also be notified when a vehicle is demolished or stripped of its parts.

Nonrepairable Vehicles

If a nonrepairable certificate is issued, the vehicle may only be used for parts. It can never be titled, registered, or legally driven again in Virginia.

If you are the owner, you can declare your vehicle nonrepairable by submitting an Application for Non-Repairable Certificate to the DMV, and exchanging the title or salvage certificate for a nonrepairable certificate. There is no fee to do this.

If an insurance company declares a vehicle nonrepairable, it must apply for a nonrepairable certificate and submit the vehicle's salvage certificate or title within 15 days of payment of a claim. The insurer must also notify the DMV if an owner keeps a nonrepairable vehicle. The DMV will then cancel the title and issue a nonrepairable certificate to the owner(s).

It is illegal to sell a nonrepairable vehicle to anybody except a scrap metal processor, demolisher, salvage dealer, or vehicle removal operator.

You cannot use a nonrepairable certificate as a title to transfer ownership or to register a vehicle. Instead, use a bill of sale when transferring ownership.

Declaring a Vehicle as Salvage

If you own an uninsured or self-insured vehicle for which the cost to repair the damage is more than 75 percent of the actual cash value, you must submit a Salvage Certificate Application to the DMV. Include the vehicle's title, which will be noted "Branded if Rebuilt." You must pay a \$10 titling fee.

As part of the application process, you'll need to get an estimate of the cost of repairs on insurance company letterhead or the official stationery of an independent Virginia appraiser. The estimate must include the vehicle identification number (VIN), make and year, a list of all parts that would be repaired or rebuilt, the cost and whether the parts are new or used, and the total costs for both labor and parts.

If an insurance company takes possession of a damaged vehicle and pays the owner (or lienholder) for the value of the vehicle, the company must apply for a salvage certificate within 15 days of paying the owner or lienholder. If the owner retains the vehicle, the insurance company must let the DMV know by submitting a completed Notification of Owner-Retained Late Model Vehicle.

Rebuilding Salvaged Vehicles

Salvage vehicles may not be operated on Virginia highways and may not be registered as long as there is an active salvage certificate. However, if the vehicle is rebuilt, a salvage certificate may be reassigned to a licensed rebuilder.

Anti-theft Examination

Before you can get a title for a repaired or rebuilt salvage vehicle, the DMV must conduct an anti-theft exam. Contact the appropriate DMV Law Enforcement Services District Office to schedule the exam. This may only be done if the vehicle was repaired in Virginia.

To get the vehicle titled, the exam agent must complete a Report of Examination of Repaired or Rebuilt Salvage Vehicle (form IS22B), indicating the vehicle passed the exam and indicating whether branding is required. Then you must present to the DMV your completed Request for Repaired or Rebuilt Salvage Vehicle Examination. There is a \$25 fee for the anti-theft examination and a \$10 substitute title fee.

Branded Titles

How much damage the vehicle has will determine if the title must be branded. If so, the brand will be permanent and carried forward for each title issued in the future, for the life of the vehicle.

If the vehicle record says the damage is 75 percent or less, the title will be branded "Salvage Repaired." There is no need to notify future buyers that this was a salvage vehicle.

If the damage is 76 to 90 percent, the title will be branded "Salvage Rebuilt." Every time the vehicle changes ownership, each new buyer must receive the title and be notified on a Rebuilt Salvage Vehicle Disclosure Statement.

The world of salvage and rebuilt salvage vehicles is complicated, and the Virginia DMV imposes a number of regulations and processes to protect consumers from fraud and theft. If you're thinking of salvaging a vehicle you own or buying one that has been salvaged and rebuilt, you'd be wise to read all the DMV has to say about salvage, nonrepairable, and rebuilt vehicles.