Definition of Salvage title

You're browsing the used car ads when a vehicle grabs your attention. The car you are interested in has a price that seems too good to be true. You keep scanning the page until you see two words in small print: "salvage title."

A salvage title is potentially a red flag, but the cars that carry them can be inexpensive options for car shoppers on a budget — provided you know what you are buying.

**When a vehicle has been in an accident and the total damage exceeds a certain percentage of the value of the car (ranging from 75-90 percent), the insurance company will decide that it is not economically feasible to repair it and declares it a "total loss."**

What happens next varies by state, but in general, the motor vehicle agency will then issue a "salvage certificate" to the car. This means that the car cannot be driven, sold or registered in its current condition.

Usually, the insurance company sells the car to either a repair facility or parts dismantler. If the car is repaired, most states require that it pass a basic safety inspection before the motor vehicle agency will issue a new title. When the state does issue the title, it's "branded," and notes that the car has been salvaged or rebuilt so future owners are aware of its past.

**Different Kinds of Damage**
A car with a salvage title hasn't always been in a collision, however. Mark Binder, national salvage manager for Farmers Insurance, says that there are a number of reasons why a vehicle might get a salvage title:

* **Flood damage:** [Flood-damaged cars](http://www.edmunds.com/car-buying/how-to-avoid-buying-a-flood-damaged-car.html) sometimes get a salvage title. Some states will specifically call out flood damage on a car's title, but other states merely use the term "salvage title."

**(We do not nor will purchase or sell Flood damage vehicles for resale)**

* **Hail damage:** As with flood cars, the titles of vehicles that are damaged by hail can also get a salvage title if the state does not have a specific "hail damage" designation on the document.
* **Theft recovery:** After a vehicle has been stolen and is missing for a certain period of time, the insurance company will pay off the vehicle. If the vehicle is eventually found, the insurance company is free to sell it to a salvager, which will replace any missing parts. Some states will then issue a salvage title for the car.

According to Carfax, a company that sells vehicle history reports, the following states issue a salvage title after a car has been stolen: Arizona, Florida, Georgia, Illinois, Maryland, Minnesota, New Jersey, New Mexico, New York, Oklahoma and Oregon.
* **Vandalism:** If someone spray-painted or overturned a vehicle and caused enough damage, the car could get a salvage title. No states specify vandalism in the title, however. It will likely be issued a salvage title.

**All of our cars have a damage report for your inspection and what has been repaired**