



National Motor Vehicle
Theft Reduction
Council

NMVTRC Statement on the Application of its Technical Guides for Written-off Vehicles

June 2019

The NMVTRC sometimes receives queries from vehicle owners in respect of the application of its technical guides for the classification of written-off vehicles.

There is a common layperson's perception that the guides are repair standards and that any form of damage consistent with the relevant guide therefore renders a vehicle unrepairable.

This is not the case. The technical guides have been developed on the basis that they are only applied—

- where the insurer has first determined the vehicle to be a total loss; and
- by expert assessors with relevant technical knowledge, training and skills.

To explain the full insurance assessment process, the first decision an insurer or self-insurer must make is whether the vehicle is a *total loss*. The term total loss is an insurance expression to describe a vehicle that has been assessed as uneconomical to repair. Whilst the precise form of words used for calculation purposes may vary slightly between insurers and/or jurisdictional law, in plain English it refers to a scenario where the vehicle's market value, less its salvage value is less than its estimated cost of repair.

This process is summarised in a schematic on p. 5 of the heavy vehicle guide but applies to all vehicles irrespective of their mass (gross vehicle mass).

If the vehicle is not determined to be a total loss, the insurer may proceed to repair the vehicle. In this case the technical guides are not relevant, and the insurance contract and formal industry codes of conduct assure the standard of repair by requiring the insurer to—

1. Restore the vehicle to its pre-accident (or event) condition;
2. Comply with the vehicle manufacturer's specified method of repair; and
3. Guarantee the repairs for the life of the vehicle.

The NMVTRC does not provide advice to vehicle owners who may dispute their insurers decision as to whether the vehicle is a total loss.

Where the insurer determines the vehicle to be a total loss, it must classify the vehicle according to the relevant technical criteria and notify the appropriate registration authority of that classification. It should be reiterated that the total loss decision is not an assessment that the vehicle is not repairable, but simply that the insurer has decided that it will not effect a repair.

A Statutory Write Off can only be sold subject to a restriction that it may only be used for parts or scrap metal. A Repairable Write Off may be repaired and re-registered subject to the vehicle passing specific safety and identification inspections.

Private to private vehicle buyers can check the registration, stolen and written-off status of any vehicle they are considering buying online for just \$2 at www.ppsr.gov.au.