



Auto

DON'T GET SOAKED BUYING A FLOOD-DAMAGED CAR

Ever wonder what happens to those waterlogged cars – the ones standing in parking lot “lakes” up to their mirrors – that you see on TV news reports about floods and natural disasters?

Some of them show up for sale on used car lots and in the classifieds!

There's no law against selling a water-damaged car, even if it's been declared a total loss by the owner's insurance company. And unfortunately, you can't always rely on title reports to clue you in. Laws vary from state to state in how titles for flooded cars must be labeled. Some require the word “flood,” while others use “rebuilt” or “salvage.” Regardless of the label, unscrupulous sellers can skirt laws by transferring ownership and retitling the vehicle in several states. Amid those transfers, titles often lose their damage labels.

Once a car has been submerged in water, damage can be severe. Water compromises the car's computer systems (think about dunking your laptop in the bathtub, then expecting it to work properly), corrodes air-bag controllers and electronics, contaminates lubricants, and threatens mechanical systems.

Most water damage is practically invisible. But there are some tell tale signs you can look for:

- Review the title carefully for damage labels, but don't simply assume everything's OK if they don't appear.
- Take the vehicle to a trusted mechanic for a pre-purchase inspection. Professionals know how to spot signs of water damage that are invisible to the untrained eye.

(continued)

PEMCO INSURANCE CO.
PEMCO MUTUAL INSURANCE CO.
325 EASTLAKE AVENUE EAST
SEATTLE, WASHINGTON 98109

1-800-GO-PEMCO
(1-800-467-3626)
pemco.com



PEMCO *Fact Sheet*

- Smell for any musty odors.
- Look for a well-defined line or water mark on the interior and exterior of the car. You might want to remove a door panel to see if there's a water mark.
- Look for mud or debris on the bottom edges of brackets or panels where it couldn't naturally settle.
- Inspect the car in difficult-to-clean places, like the gaps between panels in the trunk and under the hood, where water-borne mud and debris might still cling.
- Check the seat-mounting screws to see if there is any evidence they've been removed. If the carpeting doesn't match the interior or if it fits loosely, it might have been replaced.
- Check the rubber drain plugs under the car and on the bottoms of doors. Look for any signs they might have been removed recently.
- Flex a few wires under the dashboard to see if they bend or crack. Wet wires become brittle after drying and can crack or fail at any time.
- Look at the heads of any unpainted, exposed screws under the dashboard. Unpainted metal in cars might show signs of rust.
- Test the lights (interior and exterior). Any water lines might still show on lenses or reflectors. Start the ignition and make sure all accessory lights, warning lights, and gauges work. Specifically look at the ABS and air-bag lights.
- Test the windshield wipers, turn signals, cigarette lighter, radio, heater, and air-conditioner several times to make sure they work.

Many reputable car dealers will provide a free CARFAX or AutoCheck vehicle history report on the car you're interested in. You also can purchase one yourself by visiting carfax.com or autocheck.com (a single CARFAX report costs around \$35; AutoCheck reports are a bit less). Both provide detailed vehicle history reports using a car's vehicle identification number (VIN). Some insurers, including PEMCO, report all flood-damaged cars that they've declared total losses to CARFAX and AutoCheck.