

# Buying a Used Car? Beware! Don't Be Tricked into Purchasing a Flood Damaged Car

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## INSURANCE INFORMATION INSTITUTE

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**NEW YORK, Sept. 21, 2011**—The summer of 2011 concluded with Hurricane Irene and Tropical Storm Lee causing widespread flooding up and down the Eastern seaboard, damaging not only homes and businesses but cars as well. Unfortunately, some flood-damaged vehicles—after being sold to salvage operators and dealers—will be cleaned up and then re-sold, with the vehicle's flood-damage history illegally hidden, according to the Insurance Information Institute (I.I.I.).

“Unscrupulous salvage operators and dealers often try to conceal the fact that the vehicles they are selling have been damaged by a natural disaster,” said Jeanne M. Salvatore, senior vice president and consumer spokesperson for the I.I.I. “It is not illegal to sell or buy a flood-damaged car, however, it is against the law to sell a water-damaged car without letting the buyer know that the car had been damaged by a flood.”

To prevent this type of fraudulent resale of cars to unsuspecting consumers around the country, the National Insurance Crime Bureau (NICB) has been helping law enforcement groups and insurance companies identify and catalogue water-damaged vehicles.

“By creating VINCheck, the NICB helps protect consumers, and we’ve reduced the potential for this type of fraud to occur,” said NICB president Joe Wehrle.

To help used-car buyers learn more about the history of a specific car and whether it has been declared as salvage by a participating NICB member insurance company, the NICB created VINCheck, which provides consumers a free search of a car's vehicle identification number (VIN). This service can be accessed from the NICB home page, which can be accessed [here](#).

“To avoid inadvertently purchasing a flood-damaged car, it is important that you only buy a used car from a reputable dealer, have a certified mechanic look for flood damage and check the car's VIN number by using a credible industry database,” noted Salvatore.

The I.I.I. suggests you be on the lookout for the following indicators that a car may have been flooded:

- Mildew, debris and silt in places where it wouldn't normally be found, such as under the carpeting in the trunk, or around the engine compartment
- Rust on screws and other metal parts
- Waterstains or faded upholstery; discoloration of seatbelts and door panels
- Dampness in the floor and carpeting; moisture on the inside of the instrument panel
- A moldy odor or an intense smell of Lysol or deodorizer; this is a tactic frequently used by dealers to

cover up an odor problem

If you suspect that your local car dealer is committing fraud by knowingly selling flooded cars as regular used cars, contact your insurance company, local law enforcement agency or the NICB at 800-TEL-NICB.

*The NICB is the nation's premier nonprofit organization exclusively dedicated to fighting insurance fraud and vehicle theft for the benefit of its member companies and the public through information analysis, criminal investigation support, training and public awareness.*

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[Back to top](#)