

New Jersey Auto Total Loss Threshold by Law

§ 13:21-22.3 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise.

"Bona fide repair estimate" means any written determination of the approximate cost of parts and labor required to repair the damaged motor vehicle that is prepared by an auto body repair facility licensed pursuant to N.J.S.A. 39:13-1 et seq. or by an adjuster of an insurance company licensed to do business in New Jersey. Licensed auto body repair facilities shall prepare the estimate in accordance with 13:21-21.10. In the event that more than one such repair estimate is prepared for the damaged motor vehicle, then the highest repair estimate shall be used to determine if the damaged motor vehicle is economically impractical to repair. This term does not include any repair estimate prepared by the motor vehicle owner.

"Chief Administrator" means the Chief Administrator of the New Jersey Motor Vehicle Commission.

"Commission" means the New Jersey Motor Vehicle Commission established by section 4 of P.L. 2003, c. 13 (N.J.S.A. 39:2A-4).

"Economically impractical to repair" means that the motor vehicle is damaged to such an extent that:

1. For those motor vehicles manufactured eight or less model years from the current model year, the cost to repair such damaged motor vehicle, as determined by a bona fide repair estimate, equals or exceeds the fair market value of the motor vehicle immediately before it was damaged; or
2. For those other motor vehicles where the fair market value of such damaged motor vehicle immediately before it was damaged equals or exceeds the fair market value of a motor vehicle of the same make and model manufactured five years from the current model year, or similar make and model if the same make and model is no longer manufactured, if the motor vehicle has sustained damage to the extent that either:
 - i. The cost to repair such damaged motor vehicle, as determined by a bona fide repair estimate, equals or exceeds the fair market value of the motor vehicle immediately before it was damaged; or
 - ii. The insurer settles a total loss claim with the motor vehicle owner as a result of the damage to the motor vehicle.

"Fair market value" means the retail value of the motor vehicle as determined by the average of the official valuation manuals approved by the Commissioner of the Department of Banking and Insurance in accordance with auto physical damage claims, 11:3-10. In the event that the retail value of the motor vehicle is not listed in the official valuation manuals, then the retail value of the motor vehicle may be determined by any other valuation method approved by the Commissioner of the Department of Banking and Insurance, in accordance with auto physical damage claims.

"Owner" means the owner of record with the Commission on the date that the motor vehicle was stolen or sustained sufficient damage to render it economically impractical to repair.

"Person" means any natural person, business, firm, partnership, association, corporation, or any other entity.

"Salvage certificate of title" means the document issued by the Chief Administrator pursuant to N.J.S.A. 39:10-31 et seq., or a similar document issued by another state, which serves as proof of ownership of a salvage motor vehicle.

"Salvage motor vehicle" means any motor vehicle which has been reported stolen or is damaged to such an extent that it is economically impractical to repair.

"State inspection" means an inspection conducted by persons approved and designated by the Chief Administrator to inspect salvage motor vehicles.