

Tennessee Auto Total Loss Threshold by Law

Tenn. Code Ann. § 55-3-211 (2015)

55-3-211. Part definitions.

(9) (A) "Salvage vehicle" means any passenger motor vehicle which has been wrecked, destroyed, or damaged to the extent that the total estimated or actual cost of parts and labor to rebuild or reconstruct the passenger motor vehicle to its pre-accident condition and for legal operation on the roads or highways exceeds seventy-five percent (75%) of the retail value of the passenger motor vehicle, as set forth in a current edition of any nationally recognized compilation (to include automated databases) of retail values;

(B) The value of repair parts for purposes of this subdivision (9) shall be determined by using the current published retail cost of the repair parts to be used in the repair, or in the absence of a published retail cost the reasonable and customary cost in the community where repair parts are purchased;

(C) The labor cost of repairs for purposes of this subdivision (9) shall be computed by using the hourly labor rate and time allocations that are reasonable and customary in the automobile repair industry in the community where the repairs are performed;

(D) "Salvage vehicle" also includes, without regard to whether such passenger motor vehicle meets the seventy-five percent (75%) threshold specified in the first sentence, any passenger motor vehicle whose owner may wish to designate as a salvage vehicle by obtaining a salvage title, without regard to the extent of the passenger motor vehicle's damage and repairs. This designation by the owner shall not impose on the insurer of the passenger motor vehicle or on an insurer processing a claim made by or on behalf of the owner of the passenger motor vehicle any obligations or liabilities;