



Louisiana Department of Public Safety
Office of Motor Vehicles
**Policy 42.03 Insurance Settlements When Damage is
Less Than 75% of the N.A.D.A. Book Retail Value**

Section: 4. Motor Vehicle Registration Requirements

Effective Date: 10/15/1996

Revised Date: 11/12/2002

Authority:

Administrative

[R.S. 32:707](#)

To view Louisiana Statutes: <http://www.legis.state.la.us/tsrs/search.htm>

General:

- The Louisiana Department of Revenue and Taxation allows insurance companies to fulfill their obligation in accordance with R.S. 32:707 by agreeing to a property settlement when a vehicle's damage is less than 75% of the retail value according to the current N.A.D.A. book.

Requirements:

- When this type situation occurs:
 - The titled owner will assign the title to the insurance company in order to maintain the chain of ownership.
 - The insurance company will be exempt from titling the vehicle in its name and paying taxes since it will be considered an "at arm's length" buyer when fulfilling its obligation to a policyholder by agreeing on a settlement. It makes no difference whether or not the settlement is a total loss settlement. Ordinarily the insurance company would not be interested in purchasing the policyholder's vehicle had it not been damaged in an accident. Because of the damage, the insurance company has a forced obligation to settle with its policyholder. Usually, this means the insurance company becomes a forced buyer of that vehicle.
- When a vehicle of this type is sold by the insurance company, the normally required documents and fees/taxes needed for titling must be submitted, along with a notarized affidavit from the insurance company on its original letterhead stationery stating that the damage at the time of the settlement was less than 75% of the retail value according to the current N.A.D.A. book and that the vehicle was not purchased for use by the insurance company.

Related Policies:

Section 4, Policy 42.00 [Vehicle Certificate Of Title Law \(Salvage Vehicles\)](#)

Section 4, Policy 42.02 [Out-Of-State Branded Titles](#)

Section 4, Policy 42.04 [Salvage Retention](#)

Section 4, Policy 42.05 [Hail-Damaged Vehicles](#)

Section 4, Policy 43.00 [Supporting Documents Indicate Vehicle May Be Total Loss](#)

Section 4, Policy 76.00 [Water Damaged Vehicle](#)