



(Note: Posted on the NHTSA Facebook page as of 2-8-2013. Letter sent on 12/20/2012)

**Via Federal Express**

Mr. Dana Proulx  
General Counsel  
GEICO Corporation  
One Geico Plaza  
Washington, DC 20076

Dear Mr. Proulx:

We have received reports that certain insurance companies may be engaging in transactions that violate Federal odometer disclosure law with respect to vehicles damaged in Hurricane Sandy. Although we are not asserting that your company is engaging in such practices, we are writing to a number of auto insurance companies to remind them of the Federal odometer disclosure law requirements and ask them to review their practices regarding odometer disclosures. These letters do not accuse your company, or any other company, of violating the law.

We understand that when a flood-damaged vehicle is declared a total loss, the insurance company pays the insured the value of the vehicle, becomes the owner, and acquires control over the vehicle from the insured. However the reports we have received indicate that instead of completing the required odometer disclosure, some companies ask the insured to complete the odometer disclosure statement without listing the insurance company as the transferee. According to these reports, the insurance company will not sign the title, make an odometer disclosure, or transfer title. The insurance company then sells the vehicle at auction, keeps the proceeds from the auction, and provides the title with the odometer disclosure statement as signed by the insured to the auction buyer. The next person in the chain of title of the vehicle will be the buyer at auction. The insurance company will essentially be omitted from the chain of title.

In the circumstance described above, an insurance company is considered a “transferee” when it pays the insured’s claim (in return it obtains ownership of the vehicle), and a “transferor” when it sells the vehicle at auction. See 49 C.F.R. § 580.3. As a transferor, the insurance company is required to make certain disclosures.

Under federal odometer disclosure law, 49 U.S.C. §32705, a person transferring ownership of a motor vehicle shall give the transferee written disclosure of the cumulative mileage registered on the odometer. More specifically, under 49 C.F.R. §580.5, “each transferor shall disclose the mileage to the transferee in writing on the title or ... on the document being used to reassign the title... [t]his written disclosure must be signed by the transferor, including the printed name.” The transferee must sign the disclosure statement, print his name, and return a copy to his transferor. If you have any questions, please do not hesitate to contact Marie Choi of my staff at (202) 366-1738 or via email at [marie.choi@dot.gov](mailto:marie.choi@dot.gov).

Sincerely,  
O. Kevin Vincent  
Chief Counsel

d: 12/20/12

Identical letters sent to:

Mr. Charles E. Jarrett  
Chief Legal Officer  
The Progressive Corporation  
300 North Commons Blvd., OHF 11  
Mayfield Village, OH 44143

Ms. Patricia R. Hatler  
Chief Legal and Governance Officer  
Nationwide  
One Nationwide Plaza  
Columbus, OH 43215

Mr. Christopher C. Mansfield  
General Counsel  
Liberty Mutual Group  
175 Berkeley Street  
Boston, MA 02117

Ms. Susan L. Lees  
General Counsel  
Allstate Insurance Company  
3075 Sanders Road  
Northbrook, IL 60062

Mr. Garrett Paddor  
General Counsel  
Farmers New World Life Insurance Company  
4680 Wilshire Blvd, 2<sup>nd</sup> Fl.  
Los Angeles, CA 90010

Mr. Steven A. Bennett  
General Counsel  
United Services Automobile Association (USAA)

9800 Fredericksburg Road  
San Antonio, TX 78288

Mr. Jeffrey W. Jackson  
General Counsel  
State Farm Mutual Automobile Insurance Company  
One State Farm Plaza  
Bloomington, IL 6171