



New Hampshire Insurance Department
2022 Automobile Insurance Consumer
Frequently Asked Questions



State of New Hampshire Insurance Department

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Purpose: This guide is intended to give New Hampshire consumers basic information on automobile insurance. It suggests ways to lower the cost of your auto insurance, shop for auto insurance and file an auto insurance claim.

The New Hampshire Insurance Department ensures that insurance companies doing business in the state are financially sound, that insurance is available and appropriately priced and that consumers are treated fairly. This is accomplished through:

- Licensing insurance companies and checking their financial stability;
- Reviewing insurance forms and premium rates to be sure they comply with state law;
- Licensing individual insurance producer/agents and brokers as well as insurance agencies;
- Assisting consumers with questions and problems;
- Ensuring that insurers and producer/agents are in compliance with state insurance laws;
- Educating the public about insurance issues;
- Advocating reforms that protect the insurance-buying public

It should be noted that the New Hampshire Insurance Department reviews and approves rating plans submitted and justified by insurance companies. The New Hampshire Insurance Department does not mandate or set auto insurance rates. Auto insurance rates will vary by insurance company.

Should consumers have additional questions or need assistance, please call our Consumer Services staff at 603-271-2261, in state toll free 800-852-3416 or email consumerservices@ins.nh.gov.

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Section I: Basics of Auto Insurance

1. Why should I buy auto insurance?

New Hampshire motor vehicle laws do not require you to carry auto insurance, but you must be able to demonstrate that you are able to provide sufficient funds to meet New Hampshire motor vehicle financial responsibility requirements in the event of an “at-fault” accident. If you are unable to meet these requirements your driving privileges in New Hampshire may be suspended.

If you are in an auto accident and you are at fault, you could be held liable (legally responsible) for bodily injury or property damage resulting from that accident. If a lawsuit is brought by the injured party, a court could order that your assets be used to pay for the resulting damages that are awarded. Even for an accident where you were not at fault or were only partially at fault, you could incur substantial medical and other costs. In New Hampshire, auto insurance policies provide coverage that would protect you in these situations, as well as where the other party is at fault but is without money or insurance, or has inadequate insurance.

In the event of an accident or other type of property loss where you will need to repair your vehicle, you will need to pay for that yourself unless you have the proper physical damage coverage available under auto insurance.

2. What are the common types of coverage available in New Hampshire?

The following types of coverage are generally available in New Hampshire:

- **Auto Liability Coverage:** This provides coverage for liability incurred as the result of an auto accident caused by you. It also covers expenses for a lawyer to defend you should that become necessary. There are two kinds of liability coverage:
Bodily Injury and Property Damage:
 - **Bodily Injury Liability Coverage:** This coverage pays for claims made as the result of injury to others resulting from an accident you cause. It compensates others for pain, suffering and economic damages such as lost wages.
 - **Property Damage Liability Coverage:** This coverage pays for damage to another vehicle or property of others incurred as the result of an auto accident caused by you.
- **Uninsured or Underinsured Motorist Bodily Injury Coverage:** This coverage pays for bodily injury to you if you are involved in an accident involving an automobile driven by an individual who is uninsured or underinsured and who is found to be liable for your damages. It does not typically provide property damage coverage.

- **Medical Payments Coverage:** This coverage pays for reasonable medical costs incurred as a result of injuries sustained in an accident, without regard to fault. This coverage will pay for covered expenses incurred during the three years following the date that the injuries are sustained.
- **Collision Coverage:** This physical damage coverage pays for damage to your vehicle when it collides with another vehicle or object. This coverage is generally required by a lender if a loan is obtained on your vehicle.
- **Comprehensive Coverage:** This physical damage coverage pays for damage to or the loss of your vehicle from causes other than collision (for example: hail, vandalism, fire, theft, etc.). This coverage is generally required by a lender if a loan is obtained on your auto.
- **Towing and Labor Coverage:** This coverage reimburses you for towing expenses when your vehicle becomes disabled and requires roadside assistance.
- **Rental Reimbursement/Transportation Expenses:** This coverage, if provided, pays a specified amount for help in covering the necessary rental of a substitute vehicle while yours is being repaired. This coverage applies for a limited period of time and is referenced in your policy conditions.

3. What do I need to know when I buy auto insurance?

You may buy insurance from an independent insurance producer/agent who represents multiple companies, or from an exclusive insurance producer/agent who represents one company.

An independent producer/agent earns commissions on sales of insurance products. An independent producer/agent represents and sells the insurance products of several, unrelated insurance companies.

An exclusive producer/agent represents only one insurance company (or group of related insurance companies), and places all policies with that company (or group of related companies). This type of producer/agent earns commissions or salary directly from that company (or group of related companies).

In addition to making sales, producers/agents will offer advice based on your needs and provide service after the sale.

Be sure to buy your insurance only from licensed individuals or companies. To legally sell insurance in New Hampshire, producer/agents and companies must be licensed by the New Hampshire Insurance Department. The licensing process gives consumers certain safeguards by, among other things, making sure that applicants for licensure have met basic financial, educational and background requirements under the law. Not all companies that advertise nationally or sell on the Internet are licensed to do business in New Hampshire. If you have any concern in this regard, you can visit the New Hampshire Insurance Department web-site at www.nh.gov/insurance or contact us

directly at 603-271-2261, in state toll free 800-852-3416 or email consumerservices@ins.nh.gov.

If you apply for insurance online, be sure to print a copy of your on-line application for your records. Correct any errors right away. Many websites offer rate comparisons and instant on-line price quotes based on the application you fill out online. If you decide to buy a policy online, you may or may not be communicating with a producer/agent.

Should you choose to deal through a producer/agent, a good producer/agent will answer your questions and be available if you need them. You should obtain a copy of your application from your agent to check it for accuracy and have it as an important record of the transaction.

4. Do I have to be a resident of New Hampshire to buy auto insurance in New Hampshire?

Generally, yes. You either need to be a resident of New Hampshire or exclusively garage the insured vehicle in New Hampshire.

5. What coverage should I buy?

Liability Coverage pays for damages to others for which you are legally liable. If you buy auto insurance in New Hampshire, the minimum limits available for Liability Coverage are 25/50/25, meaning \$25,000 per person for bodily injury, up to \$50,000 if 2 or more persons are hurt, and up to \$25,000 for property damage.

Liability Coverage does not pay to repair damage to your own vehicle. This type of insurance is called physical damage coverage which is comprised of both collision coverage (damage due to contact with another auto or object) and comprehensive coverage (damage incurred due to reasons other than a collision).

Pursuant to NH RSA 264:16, if you buy auto insurance for personal use, you must also buy Medical Payments Coverage. Medical Payments Coverage pays for medical expenses incurred as a result of an automobile accident, regardless of who is at fault. By law, you must buy at least \$1,000 of Medical Payments Coverage.

Pursuant to NH RSA 264:15, if you buy auto insurance you must also purchase Uninsured Motorists Coverage. Uninsured Motorists Coverage provides coverage should injuries result from an accident involving an at-fault uninsured driver or a hit and run driver. It also protects against injuries caused by insured drivers whose coverage is less than your own. In New Hampshire, Uninsured Motorists Coverage must be provided at limits equal to your Auto Liability Coverage. It is important to remember that uninsured motorist coverage generally provides bodily injury coverage and, in most circumstances, does not provide property damage coverage for damage to your automobile. Protection

for damage to your motor vehicle is accomplished by purchasing physical damage coverage.

You do not have to buy physical damage (Collision and Comprehensive) coverage to protect your vehicles unless you are obligated to do so by your lender. If you do not purchase coverage for either or both of these options, you will need to personally fund any repair to your vehicle that is necessary due to collision with another vehicle, or a normally covered non-collision loss (for example: hail, vandalism, fire, theft, etc.).

6. How much coverage should I buy?

No one plans to have an accident, it is a “what if” consideration.

Unless you have an accident or other damage loss, you will never experience the benefits of auto insurance. Predicting the future is impossible. You cannot tell if and when you might be involved in an accident, how much damage there might be or if the other driver will be insured. The Auto Liability Coverage Limits you choose should be high enough to protect you from the potential loss of your assets due to Bodily Injury and Property Damage Claims that may be made against you as the result of an accident.

Bodily Injury and Property Damage Claims can easily be higher than minimum coverage levels since autos now cost many thousands of dollars and medical costs have soared. To choose the level of coverage for Auto Liability and Property Damage, think about what you could lose. In New Hampshire, Uninsured and Underinsured Motorist Coverage would be included in any purchase of Auto Liability Coverage as uninsured and underinsured coverage is provided at the same limits as liability coverage.

Even if you do not yet have significant assets, having adequate coverage would help avert incurring significant debt that might make obtaining assets in the future more difficult.

7. What are underwriting, rating and premiums?

Underwriting and rating, which are focused on the issue of risk of loss, determine what you pay for auto insurance.

Although each company uses its own underwriting rules and rating plan, insurance companies generally analyze the risk of loss by reviewing multiple factors, including claim history and motor vehicle records of you and other household drivers to decide how much risk you present. Credit history may also be taken into consideration.

As a result of the underwriting process, the driving exposures presented and the corresponding claims data, insurance companies develop rates and submit their rating plans to the New Hampshire Insurance Department for approval for use in New

Hampshire. Your cost reflects the insurer's estimate of the cost to assume financial responsibility for the exposure to auto accidents.

When you apply for insurance you will be asked a number of questions. The purpose of these questions is to aid in risk assessment and to help determine the amount of premium you will be charged.

8. What are some factors companies use to determine rates?

When determining what rates to charge, companies consider the following factors:

- **Age, Gender and Marital Status:** (i.e., a single 17 year old male vs. a married 45 year old female). Historical trends indicate that certain groups of drivers have more accidents. The greater the chance a group of drivers will have a loss, the higher the cost of the premiums (or "rating") for that group.
- **Coverage Limits:** The price that you pay will reflect the level of coverage that you purchase. Higher coverage limits cost more than lower coverage limits.
- **Household Members:** The ages and driving records of other drivers in your household will likely affect your premium. If you have teenage drivers and your policy covers them, your premium will increase for that reason whether or not they ever or rarely drive your autos. It may be possible to avoid many of the effects on your policy premium if the teen driver buys their own policy. It is critical that you notify your insurance company of all licensed (or permit) drivers in your household that may be considered to be an exposure under your auto insurance policy.
- **Location:** The price that you pay will be affected by where you garage and drive your car. Drivers in heavily populated areas often pay more than rural drivers because of more traffic activity and an increased exposure to accidents, theft and vandalism.
- **Type of Auto:** The price that you pay will be affected by the characteristics of the auto that you drive. Model (standard versus high performance, for instance), model year and value of your car all influence the premium charged. Some autos cost more to insure because they are more easily damaged, more expensive to repair or more likely to be stolen.
- **Use of the Auto:** The price that you pay will be affected by how your auto is used. For instance, your daily usage may exceed set criteria for mileage (such as commuting a long distance to work each day).
- **Credit history:** Many companies review your credit history. Insurance companies may apply adjustments to your rate that take your credit score or attributes of your credit history into consideration.

9. What kind of discounts might I receive?

You may be eligible for discounts which are part of the insurance company's rating plan that can reduce your premiums. Be sure to ask about possible discounts when buying or renewing your auto insurance policy. Examples of possible discounts are:

- **Anti-theft devices:** This may be offered as a discount on your Comprehensive Coverage Premium for devices that discourage theft or vandalism.
- **Auto/home packages:** This may be offered if you buy both your auto and homeowners policies from the same insurance company.
- **Good driver:** This may be offered to policyholders who maintain a good driving record.
- **Good student:** This may be offered to youthful drivers who maintain a specified grade point average.
- **Low annual mileage:** May be available for vehicles operated less than a specified number of miles per year.
- **Multiple vehicles:** This may be offered when the same company insures more than one auto in your household.

Not all companies offer all discounts. Some companies may offer more or less discounts than those listed above.

10. Should I get rate quotes from different insurance providers?

One way to make sure that you are getting the best available premium for your auto insurance is to request premium quotes. This can be requested from your current producer/agent who likely represents more than one company or you may seek a quote from another producer/agent or company.

After you receive alternative quotes and you compare prices, make sure that you are comparing the coverage and price offered on an apples-to-apples basis. You should take note of the difference in coverage as that may explain differences in price or it may reveal that one company is willing to offer more coverage for a similar price. Remember to inquire about the types and amounts of discounts that might be offered and whether the premium quote includes any discounts.

One area you may want to check is the deductible listed in the quote. A difference in the deductible does make a difference in the premium that you may be charged. If you increase the deductible, you are likely to pay a lower premium. Remember, however, with a higher deductible you will pay more out of pocket should you have a claim.

The rate quote obtained from an insurance producer/agent is an estimate of what you will pay for the insurance based on the information that you have provided at the time of the quote. While you are evaluating your options, it is a good idea to avoid binding coverage before you make the decision to switch auto insurance companies.

11. If my friend asks to use my auto for their own errands, will my auto insurance cover them while they are driving?

Yes. All auto liability policies in New Hampshire cover a "nonowner" operator if they are driving the auto with the permission of the "named insured."

12. Can a family member's poor driving record affect my premiums or insurability if my own driving record is clear?

Yes. In the State of New Hampshire, the definition of an insured includes household family members.

13. Must my son or daughter be added to my auto insurance policy once he or she is licensed?

Yes. The company has the right to charge for all licensed operators in your household because they are automatically covered under your auto insurance policy. A child at college is considered to be a resident of the household.

14. Do I need commercial insurance if I use my personal vehicle for a rideshare or food delivery job?

Personal lines policies have traditionally provided coverage for ridesharing and have attempted to exclude coverage for food delivery. They are not permitted to exclude liability coverage below mandatory minimums of 25,000 per person, 50,000 per accident for bodily injury and 25,000 per accident for property damage. However, the Department strongly suggests that any such activities not be engaged in by any insured until the insured has contacted the company and confirmed what coverage is or is not available under the insured's current policy and what might be available from the company as an additional coverage, if needed. Never wait for an accident to occur to determine your coverages.

15. Do I need insurance for my ATV or snowmobile?

No. However, it is prudent to have coverage for all such vehicles. Personal lines auto policies are also available for any vehicle that is registerable for road use.

16. Why is it important that I give accurate information to my insurance provider?

It is important that you provide accurate information to the producer/agent acting on behalf of the insuring company. Complete your insurance application fully and truthfully. If you leave out information, or you do not provide accurate information, there may be adverse consequences up to and including the potential loss or denial of coverage.

Section II: Filing An Auto Insurance Claim & Basic Information About Repairs

17. If I'm in an auto accident, should I file a claim with my insurance company or the company of the other party?

If you are involved in an accident, it may be necessary to file an insurance claim.

If the other driver caused damage to your vehicle, you can either file the claim with your own insurance company (a "first-party" claim) if you have collision coverage or the other driver's insurance company (a "third-party" claim) to seek coverage under the other driver's liability coverage.

It will most likely be to your ultimate benefit to file with your own company first. While you may be responsible for a deductible under your own policy, should the other driver be at fault, you will likely be reimbursed if your company successfully receives payment from the at-fault party's insurer. It may be quicker to deal with the other carrier if it agrees that its driver is at fault, but it will take much more time if it does not. The key is whether you want to do the chasing or whether you want your insurance company to do that for you. As your insurance company has more resources and experience in doing the chasing, going to your own company might be the better choice.

18. What should I do if I have to file a claim with my insurance company?

In the event that you need to file a claim with your insurance company, you should follow these steps:

- Immediately report all losses directly to your insurance producer/agent and/or insurance company.
- Immediately report a loss to the police, and later get a copy of the police report.
- Review the section of your insurance policy that describes your duties and other possible requirements in the event of a loss (sometimes referred to as "Duties After A Loss").

- Show the damaged vehicle to the insurer before you have it repaired.
- Protect your auto from more damage, if possible. Your policy conditions usually require this.
- Cooperate with the insurance company's investigation.

19. What should I do if I have to file a claim with another party's insurance company?

You may consider the option of contacting the other driver's insurance company directly in the event of an accident.

The other driver's insurance company will investigate the claim, and will offer a settlement if it believes its insured is legally responsible for your injuries or damages. In most cases, the other driver's insurance company will not settle your claim for bodily injury until you sign a release for injuries sustained. The release bars you from pursuing future claims against or further payment from the other driver and his/her insurance company. Be sure you are ready to accept the amount offered as the final amount before you sign the release.

If you and the insurance company agree on the amount paid for property damage to your auto before the bodily injury portion of the claim is settled, the property damage claim settlement cannot be delayed.

20. When can I expect to hear from the insurance company after I file a claim?

Per New Hampshire Insurance Department rules, INS 1002.04(b), your insurance company must respond to you within 10 working days after it receives your claim.

21. What if the other driver's insurance company denies my claim or I disagree with its settlement offer?

If the other driver's insurance company denies your claim or you disagree with its offer, you can make a physical damage claim under your own policy, if you have purchased such coverage, or pursue a legal remedy against the driver who caused the accident.

22. Do I have to pay a deductible when I file a claim?

If you chose a deductible when you bought your policy and you are filing a claim with your insurance company, you will be responsible for the amount of the deductible when you submit a claim. Deductibles do not apply if you file a liability claim against the other driver's policy.

23. How will the insurance company determine the value of my vehicle?

Companies may use sales of comparable vehicles or approved methodologies to determine the value of your vehicle. A list of approved valuation methods can be found on the New Hampshire Insurance Department website. Ins. 1002.15 provides all the regulatory requirements that insurers must follow for total losses. These regulatory requirements are in addition to what is in your policies and should be reviewed in the event that you believe your car is a “total loss.”

24. My insurance company and I can't seem to agree on the amount of my loss. What can I do?

If you and your insurance company cannot agree on the amount of loss to your vehicle, either of you may request an appraisal. This process is referenced in your policy.

25. I had personal property in my auto when my auto was damaged / stolen. Will it be covered?

If you had personal items, such as clothing, luggage or gifts stolen from or damaged while in your auto, your auto policy would not normally provide coverage. You need to consult with your insurance company to see if optional coverage is available, or if any coverage is included within your policy. Coverage for personal property that is damaged or stolen may be provided by your homeowners or renter's insurance policy.

26. Can an insurer force me to pay for multiple estimates?

Per New Hampshire Insurance Department Rules, Ins. 1002.14, you are only responsible for the cost of one estimate for property damage to your auto. The insurance company is liable for any further expenses if it requests any repair estimates after the first one.

27. Will the insurance company pay the costs of renting a car if my auto is in an accident?

If you are using your insurance, your insurer may or may not provide rental insurance. You should check your policy or call your insurer. If you are filing a claim against another driver's policy, Ins. 1002.13 mandates that you be provided with insurance coverage for a rental that is similar to your vehicle for the period of time necessary to repair the vehicle.

28. Can an insurance company deduct for "betterment" (the amount that exceeds the value of the old or used parts)?

Yes. If the repair of your auto involves parts that normally wear out such as tires, mufflers, etc., replacement of these parts with new ones might require that you pay the difference between the new value and the value of the part at the time of the loss.

29. Can the insurance company deduct for things like unrepaired damage or rust?

Per New Hampshire Insurance Department rules, deductions can be taken if the damaged part or portion of the auto had pre-existing damage or deterioration. Companies are not required to make something better than it was prior to the loss.

30. Can the insurance company use after-market or non-original equipment manufacturer (non-OEM) parts?

Per NH RSA 407-D:3-a, insurers must use original equipment manufacturer parts on vehicles that have been placed into service within the prior two years and have less than 30,000 miles, and for leased vehicles that specify the use of original equipment parts. For other vehicles, no insurer shall require the use of after-market parts in the repair of an automobile unless the after-market part is at least equal in like kind and quality to the original part in terms of fit, quality and performance. Insurers specifying the use of after-market parts shall consider the cost of any modifications which may become necessary when making the repair.

31. Does my insurance company have to pay if special equipment on my auto is damaged?

Most auto policies only cover items that were factory installed. Specialized equipment will not be covered unless you bought special coverage for those items.

32. Do I have the right to select the repair facility I want to complete the repairs to my auto after it has been involved in an accident?

Yes. However, if your chosen repair facility cannot agree on a repair cost with the insurance company, you may have to pay the difference between the insurance company's estimated cost to repair your auto and your repair facility's actual charge. An insurance company can suggest an alternative repair facility which it feels can repair your auto properly at an agreed rate or cost, but it cannot force you to take that option.

Per New Hampshire Rule Ins. 1002.17(a), “every settlement made or offered upon the basis of an appraisal conducted on behalf of the insurer relative to motor vehicle insurance shall: (1) Represent the fair and reasonable price in the area charged by repair shops or facilities providing similar services with the usual and customary guarantees as to materials and workmanship....”

33. I am dissatisfied with the repair work done to my auto by a repair facility. What obligation does the insurance company have to correct this?

If you chose the repair facility, you are responsible for making sure the job is done satisfactorily. If you use the repair facility chosen by the insurance company, then the insurance company would be responsible to ensure that repairs are satisfactorily completed.

34. What if I have some other problem with my policy?

If you have a problem with your insurance policy, you have a right to question the insurance company or producer/agent. Sometimes mistakes are made and the insurance company or producer/agent will correct them if an inquiry is made. In the event of an inquiry, it is important to keep a written record, or log, of all contacts made during this process, including a copy of all written correspondence.

Contact the New Hampshire Insurance Department if you do not get a prompt and/or satisfactory response from the producer/agent or insurance company, the New Hampshire Insurance Department provides information and assistance to New Hampshire residents.

We offer a formal consumer complaint process whereby we attempt to help resolve problems between consumers and the producer/agents or insurance companies. We often succeed in this endeavor, however, neither consumers nor insurance producer/agents or companies are required to accept any suggested solutions.

The New Hampshire Insurance Department’s web site includes publications as well as other useful information. You can file an on-line complaint on our web at www.nh.gov/insurance, or you can call us and request that we mail a complaint form to you. Our address is: New Hampshire Insurance Department 21 S. Fruit Street, Suite 14 Concord NH 03301. Our phone number is 603-271-2261 or 800-852-3416.

Section III: Understanding “Total Loss”

35. How are Total Losses determined in New Hampshire?

Generally, a motor vehicle that is involved in a collision or comprehensive loss may be determined to be a “total loss” when the cost of the repairs exceeds 75% of its “Fair Market Value.” A damaged vehicle that is physically or economically impractical to repair might also be determined to be a total loss. (RSA 261:22).

36. What does my auto policy pay for when my vehicle is a Total Loss?

Your policy generally pays the “Actual Cash Value”, as well as towing and storage from the accident scene if required. Additional costs to process a new title \$25.00 are also included. Actual Cash Value and Fair Market Value are generally synonymous, as New Hampshire administrative rules define Actual Cash Value as the Fair Market Value.

37. How does my insurance company determine “Actual Cash Value” or “Fair Market Value”?

Insurers are obligated to pay the "Fair Market Value" as defined in Administrative Rule Ins. 1002.15 using one of two methods. In most cases, the insurer will use a method provided by a third party vendor. These methods have been reviewed and approved by the NH Insurance Department. A list of approved methods and vendors can be found at: <https://www.nh.gov/insurance/pc/index.htm>.

38. What if I disagree with my insurer on the value?

Administrative Rule Ins. 1002.15(c) provides guidance for consumers when they disagree with the value offered by an insurance company. Consumers should review the report provided by the insurer for accuracy, and provide quotes for vehicles that they feel better represent the totaled vehicle.

39. What happens to my vehicle after the claim is settled?

Under the policy, the insurer is entitled to take ownership of the damaged or salvage vehicle. The vehicle is then auctioned to recyclers where salvageable parts are resold.

40. Am I entitled to keep the damaged vehicle?

Under Ins. 1002.15(g), the owner may purchase the salvage back from the insurer. The insurer will provide a quote based on auction results. In most cases, the title will be branded “salvage” to protect future buyers.

41. Why do I need to sign a Power of Attorney if I gave the title to my insurer?

The insurer will take ownership of the vehicle, putting the title in its name so it can resell the salvage. This process often requires the consumer to sign the title and odometer statement. It often simplifies the process for the consumer to sign a limited Power of Attorney at the time of settlement, rather than provide these documents at a later date.

42. Is it better to use my own policy or the policy of the person who hit me?

Regardless of fault, the insurance company is obligated to pay the “Fair Market Value” of the damaged vehicle as well as towing and storage fees. There is no compensation for your time or inconvenience when settling a total loss from either insurer.

43. Am I entitled to “Diminished Value” when my car is damaged?

Under your own policy, “diminished value” is not covered as it is not physical damage to your auto. When making a claim on another driver’s insurance, you can present a claim for diminished value. However, the burden is on you to document the loss.

44. Are the rules and laws the same for antique, classic or collectible vehicles or motorcycles?

Yes, Ins. 1002.15 applies to antique or classic cars, as well as motorcycles. Insurers are obligated to pay “Fair Market Value”.

45. What if I refuse to release the vehicle from the tow facility where it was towed after the accident?

As the registered owner of the vehicle, you – not your insurance company or the at-fault party – are responsible for the towing and storage charges that accrue on the vehicle.

46. My vehicle had custom parts on it, may I remove them?

You need to discuss this with your adjuster. Some policies may include the value of the custom parts in Fair Market Value, however, you may not be satisfied with that value. In that case, you may want to speak to your adjuster about returning the vehicle to its original condition for evaluation.

47. I just spent a lot of money on maintenance and repairs before the accident. How will this affect the value of the vehicle?

The company is obligated to pay the “Fair Market Value” of the vehicle which is defined as “the price at which an asset would change hands between a willing buyer and a willing seller when neither is under compulsion to act and both have knowledge of all facts relevant to the sale.”

Given the definition, it is unlikely that a few receipts for oil changes or an alignment will increase the value of your car. However, significant expenses such as a new transmission, engine overhaul, or an extended warranty may impact the value. These expenses are generally subject to depreciation, but may be presented to your adjuster for review.

48. Is “Fair Market Value” the same as “Retail”?

Generally, no. In most cases, the Fair Market Value of a vehicle is determined by sampling comparable vehicles for sale in that area. This is done by collecting data from auto dealerships, rather than private party sales to ensure a valid sample.

Generally, a vehicle offered for sale at a dealership has been reconditioned, inspected for defects and has had some level of service performed. In most cases a warranty is provided and services such as financing and warranties are available.

Ins. 1002.15 requires adjustments (increases or decreases) for condition, mileage and options to reflect the condition of your vehicle.

49. Do I have right to a rental vehicle if my vehicle has been determined to be a total loss?

Pursuant to Ins. 1002.15(f), [a]n insured or claimant has the right to a rental vehicle for at least the applicable policy period for insureds or five business days after the insurance company makes a prompt, fair and equitable settlement offer, whichever is earlier.