

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
JOHN O. PASTORE COMPLEX
1511 PONTIAC AVENUE
CRANSTON, RHODE ISLAND 02920

IN THE MATTER OF:

**Carfax, Inc. and CARFAX Total Loss Valuation
Service Application**

2020-IN-001

APPLICANTS

**Pursuant to R.I. Gen. Laws § 27-9.1-4(25) and
230-RICR-20-40-2.8(A)(2)(c)**

**ORDER APPOINTING HEARING OFFICER AND
NOTICE OF SOLICITATION OF PUBLIC COMMENT
AND HEARING**

The Director (“Director”) of the Rhode Island Department of Business Regulation (“Department”) issues this Order to provide notice to the public and to obtain input from any interested persons or parties (“Interested Parties”) regarding whether CARFAX, Inc. and its CARFAX Total Loss Valuation Service (“Carfax” or “Applicant”) should be qualified as a nationally recognized compilation of retail values commonly used by the automotive industry (“Recognized Compilation”). The Director issues this Order pursuant to R.I. Gen. Laws § 27-9.1-4(25), 230-RICR-20-40-2.8(A)(2) (formerly known as Insurance Regulation 73, Section 8(A)(2)(b)), R.I. Gen. Laws §§ 42-14-1 *et seq.* and 42-35-1 *et seq.*, and 230-RICR-100-00-2 (formerly Central Management Regulation 2) entitled *Rules of Procedure for Administrative Hearings*. Attached to this Order as Exhibits 1-3 are the Application filed by Carfax and two supplemental documents.

At the conclusion of the administrative process, were the Director to issue an Order

qualifying Carfax as a Recognized Compilation, insurers in Rhode Island would be able to utilize information concerning vehicle valuations provided by Carfax in determining the value of a total loss vehicle. Pursuant to Insurance Bulletin 2014-2 Total Loss Valuation Services, the only two Recognized Compilations currently are National Automobile Dealers Association and Kelly Blue Book.

The Director hereby appoints Catherine R. Warren, Esq. as Hearing Officer pursuant to R.I. Gen. Laws § 42-6-8 for the purpose of holding an evidentiary hearing on the whether the Application is warranted and to make a recommendation to the Director as to whether Carfax qualifies under the statute and regulation as a Recognized Compilation.

The Applicant and any Interested Parties may wish to submit information regarding whether Carfax should be a Recognized Compilation in writing prior to the Hearing, orally or in writing at the Hearing, or as otherwise determined by the Hearing Officer. Interested Parties need not file an Answer, a request for hearing or any other formal pleading. Any Interested Party may submit their written comments on the Application either by delivering the same to

Catherine.Warren@doa.ri.gov, or to:

Department of Administration;
ATTN: Catherine Warren
One Capitol Hill, 4th Floor
Providence, RI 02908

Pursuant to 230-RICR-100-00-2, it is the sole responsibility of the Applicant or its representative and any interested parties or their representatives to present their case to the Hearing Officer. Such proceedings shall be conducted in conformance with 230-RICR-100-00-2 and R.I. Gen. Laws § 42-35-1 et seq. A pre-hearing conference in this matter shall be held on March 27, 2020 at 9:00 a.m.

CERTIFICATION

I hereby certify that on this 26th day of February, 2020, a copy of this Order was sent by first class mail postage prepaid or by email to the following:

Carfax Applicants via Local Counsel Robert D. Fine Chace Ruttenberg & Freedman, LLP Robert Fine rfine@crflp.com	Carfax Applicants Jon-Erik Valetti, Director of Marketing JonErikValetti@carfax.com TomScheffer@carfax.com
Philadelphia Insurance Companies Sam Garro, VP Compliance Dept. One Bala Plaza, Suite 100 Bala Cynwyd, PA 19004	Audatex Diane Klund, Director Reg. & Gov't Affairs 15030 Avenue of Science, Suite 100 San Diego, CA 92128
Auto Bid LLC. 7930 Santa Fe. Drive Ste. 201 Overland Park, Kansas 66204	National Automobile Dealers Assoc. - NADA 8400 Westpark Drive, Tysons, VA 22102
Kelley Blue Book Co., Inc. - KBB 195 Technology Drive Irvine, CA 92618	CCC Information Services Inc. Jennifer Yengoyan, Senior Counsel JYengoyan@cccis.com
Auto Body Assoc. of RI – ABARI Petarcarca & Petarcarca Law Offices Peter Petarcarca - Peter@petarcarcalaw.com Jina Petarcarca - Jina@petarcarcalaw.com	Price Digests Darren Kyle II, Sales Coordinator Darren.Kyle@penton.com Brian.Dewey@penton.com
Partridge Snow and Hahn LLP Travis McDermott - tmcdermott@psh.com	Vehicle Valuation Services, Inc. Nick Gawthrop - NGawthrop@vysi.com
Mitchell International, Inc. Iris Mitrakos, Assistant General Counsel iris.mitrakos@mitchell.com Corinne Carr - corinne.carr@carrlegalgroup.com	American Property Casualty Insurance Assoc. Francis O'Brien, VP - Frank.Obrien@apci.org
Independent Insurance Agents of RI - IIARI Ernie Shaghalian - AlpineIns@aol.com Mark Male - Mark.Male@iiari.com	National Assoc. of Mutual Insurance Companies - NAMIC Chris Stark - cstark@namic.org
Lauren Wilkins Langlois, Wilkins, Furtado & Metcalf, P.C. LWilkins@lwfmlaw.com	Allstate Insurance Company Timothy Knapp, Regional Counsel Tkna3@allstate.com

by electronic mail to following at the Department of Business Regulation,
Elizabeth Kelleher Dwyer, Esq., Deputy Director; Rachel Chester, Insurance Chief Consumer
and Licensing Services; Beth Vollucci, Insurance Chief Consumer and Filing Services; and
Matthew Gendron, Esq.; and to Catherine.Warren@doa.ri.gov.

Wanda West

ALL PARTIES ARE HEREBY ADVISED THAT THEY HAVE THE RIGHT TO BE REPRESENTED AT THE PREHEARING CONFERENCE BY LEGAL COUNSEL OF THEIR OWN CHOOSING. THE DEPARTMENT WILL NOT PROVIDE LEGAL COUNSEL TO ANY PARTY.

Entered this 25th day of February 2020.

A handwritten signature in black ink, appearing to read 'Liz', is written above a horizontal line.

Liz Tanner, Director

If you have any questions regarding the scheduling of the matter in this Order, please contact Catherine Warren, Esq. at catherine.warren@doa.ri.gov. Please refrain from contacting the Hearing Officer on any substantive matters related to the subject of the Hearing unless all parties and interested parties are notified of and participate in the communication.

All are welcome at the Rhode Island Department of Business Regulation ("DBR"). If any reasonable accommodation is needed to ensure equal access, service or participation, please contact DBR at 401-462-9551, RI Relay at 7-1-1, or email dbr.dirofficeinq@dbr.state.ri.us at least three (3) business days prior to the hearing.

CARFAX[®] **TOTAL LOSS VALUATION[™]** **SERVICE**



Introducing the CARFAX® Total Loss Valuation™ Service

CARFAX, Inc. has developed a new and innovative Total Loss Valuation service that will revolutionize the way insurance companies settle automobile total loss claims. CARFAX data is already utilized by over 300 auto insurance claims organizations in the resolution of auto physical damage claims. Insurers can now access a new Total Loss Valuation tool through the claims-centric web portal, CarfaxForClaims.com.

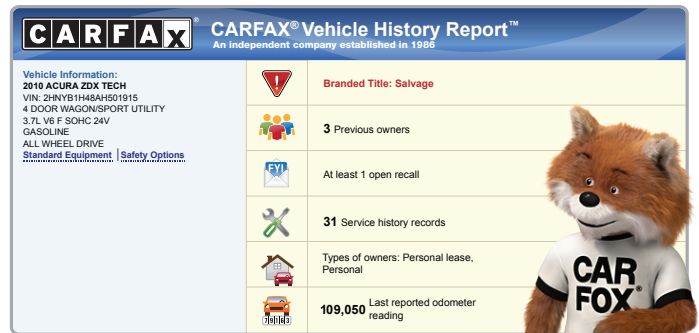
The CARFAX Total Loss Valuation service provides a more reliable vehicle valuation using CARFAX data, the same information that auto owners have come to recognize as the standard in the industry. The report format is easily understood by consumers, providing CARFAX's patented History-Based Value for the loss vehicle as well as detailed and verifiable information about comparable automobiles currently available for sale in the same market area.

Show Me The CARFAX

CARFAX has a long history of providing vehicle validation and valuation services to the insurance industry, the used car industry, the auto finance industry, and to the car-buying public. The CARFAX Vehicle History Report™, the company's flagship product, is a trusted resource helping to resolve the information asymmetry that exists around used cars.







How many times have you heard the phrase "Show me the CARFAX!"?

Armed with information about a vehicle's history, consumers can make their purchase decision with confidence. Used car dealers routinely utilize the CARFAX Vehicle History Report to help reduce doubt and stress in the dealer-buyer relationship. And, insurers and auto lenders use CARFAX to help more accurately value a vehicle when assessing their risk exposure.




CARFAX® Vehicle History Report™
An independent company established in 1986

Vehicle Information:
2010 ACURA ZDX TECH
VIN: 2HNYB1H48AH501915
4 DOOR WAGON/SPORT UTILITY
3.7L V6 F SOHC 24V
GASOLINE
ALL WHEEL DRIVE
Standard Equipment | Safety Options

-  Branded Title: Salvage
-  3 Previous owners
-  At least 1 open recall
-  31 Service history records
-  Types of owners: Personal lease, Personal
-  109,050 Last reported odometer reading

This CARFAX Vehicle History Report is based only on information supplied to CARFAX and available as of 2/28/18 at 10:26:32 AM (EST). Other information about this vehicle, including problems, may not have been reported to CARFAX. Use this report as one important tool, along with a vehicle inspection and test drive, to make a better decision about your next used car.

CARFAX® Ownership History		The number of owners is estimated		
	Owner 1	Owner 2	Owner 3	
Year purchased	2010	2014	2015	
Type of owner	Personal lease	Personal	Personal	
Estimated length of ownership	3 yrs. 3 mo.	4 months	2 yrs. 3 mo.	
Owned in the following states/provinces	Oregon	California	California	
Estimated miles driven per year	9,718/yr	---	28,142/yr	
Last reported odometer reading	34,746	39,713	109,050	

CARFAX® Title History		CARFAX guarantees the information in this section		
	Owner 1	Owner 2	Owner 3	
Salvage Junk Rebuilt Fire Flood Hail Lemon	No Problem	No Problem	Alert! Problem Found	
Not Actual Mileage Exceeds Mechanical Limits	No Problem	No Problem	No Problem	
Alert! Severe problems were reported by a state Department of Motor Vehicles (DMV). This vehicle does not qualify for the CARFAX Buyback Guarantee				

CARFAX® Additional History		Not all accidents / issues are reported to CARFAX		
	Owner 1	Owner 2	Owner 3	
Total Loss Total loss reported on 08/11/2017.	✓ No Issues Reported	✓ No Issues Reported	⚠ Total Loss Reported	
Structural Damage No structural damage reported to CARFAX.	✓ No Issues Reported	✓ No Issues Reported	✓ No Issues Reported	
Airbag Deployment Airbag deployment reported on 08/15/2017.	✓ No Issues Reported	✓ No Issues Reported	⚠ Airbag Deployment	
Odometer Check No indication of an odometer rollback.	✓ No Issues Indicated	✓ No Issues Indicated	✓ No Issues Indicated	
Accident / Damage 5 accident indicators - see details.	✓ No Issues Reported	✓ No Issues Reported	⚠ Severe Damage	
Manufacturer Recall At least 1 manufacturer recall requires service. Locate an authorized Acura dealer to obtain more information about this recall.	✓ No Recalls Reported	✓ No Recalls Reported	⚠ Recall Reported	

With over 22 billion records from more than 112,000 data sources, CARFAX has the most comprehensive vehicle history database in the U.S. and Canada providing access to key information such as:

- Accidents and Other Damage
- Number of Owners and Title History
- Service Records
- Open Recalls and Service Bulletins

Local market supply and demand data from our online **Used Car Listings**.

Access to **millions of police accident reports** nationwide.

CARFAX receives data from thousands of dealerships, repair shops, DMV's, and state inspection centers.

Over **55,000 service shops** supply service records to CARFAX.

Over **50 automotive brands** provide VIN-Specific open recall data to CARFAX.

5 Million new records added daily.

CARFAX's data acquisition team is constantly looking for **new data sources** to add new data.

CARFAX has a team dedicated solely to **data accuracy research**.

\$ Unique History. Unique Value.

In addition to its Vehicle History Report, the CARFAX Total Loss Valuation service also draws upon CARFAX's patented History-Based Value. This VIN-specific value considers current local market supply and demand for vehicles of like kind, quality, and history. It is derived using a statistical regression model incorporating pricing data from millions of used car listings in combination with each vehicle's unique trim and options, mileage, condition, location, and hundreds of other attributes drawn from CARFAX's vast vehicle history database.

CARFAX® History-Based Value

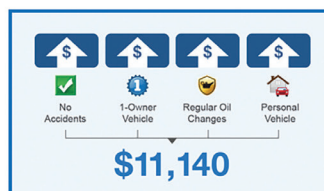
Unique History. Unique Value.



Year: 2012
Make: Toyota
Model: Camry
Trim: SE Sedan
Zip Code: 20120



Year: 2012
Make: Toyota
Model: Camry
Trim: SE Sedan
Zip Code: 20120



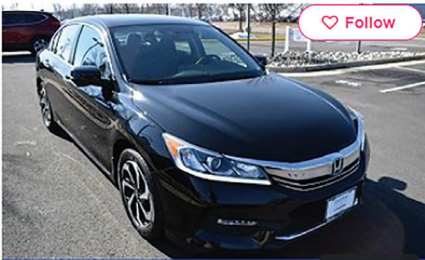
All things being equal, a vehicle with no damage is perceived to be worth more than one with a previous accident. Likewise, car buyers tend to pay a premium for one-owner vehicles and those with a well-documented service history. On the other hand, vehicles with high mileage or those previously owned for commercial use tend to generate a price discount relative to those with average mileage or only personal use. The CARFAX History-Based Value quantifies all of these factors and more, incorporating recency, frequency, and severity in combination with each vehicle's unique attributes to arrive at a unique value for each unique vehicle. It analyzes vehicle pricing down to the zip code level and only expands beyond the zip code when needed to arrive at a statistically valid set of pricing observations.

The CARFAX value has been viewed over 1.1 billion times and is currently available for vehicle model years 2000 and later, covering more than 99% of vehicles released in the U.S. in the last 15 model years. The myCARFAX app (myCarfax.com) provides consumers with free access to the history-based value of their own vehicle, and the CARFAX Used Car Listings website (Carfax.com/cars-for-sale) includes the CARFAX value alongside the dealer's list price on millions of used vehicles currently for sale. With all of this market exposure, the CARFAX History-Based Value has helped to set consumer expectations around used car prices for buying, selling, and now... total loss valuation.

In-Market Comparables

In addition to providing the value and history of the loss vehicle, the CARFAX Total Loss Valuation report also includes information on comparable vehicles currently available for sale in the used car marketplace. These comparable vehicles, selected from the CARFAX Used Car Listings website based on similar year, make, model, trim, options, location, mileage, and vehicle history, are presented in a side-by-side comparison. No two used cars are identical, but CARFAX searches the millions of vehicles listed by thousands of dealers to find those vehicles that are most similar and available for purchase in the loss vehicle owner's local market area.





2016 Honda Accord EX



Follow

Price: \$18,102 \$300/mo est.

GREAT VALUE → \$778 below \$18,880 CARFAX Value

 No Accident or Damage Reported <small>No accident or damage reported to CARFAX.</small>	 CARFAX 1-Owner <small>Purchased on 03/19/16 and owned in VA until 01/30/19.</small>	 Personal Use <small>Driven an estimated 9,840 miles/year.</small>	 Service History <small>Last serviced in Chantilly, VA on 01/31/19 • Pre...</small>
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Mileage: 28,255 miles

Color: Black

Description: Used 2016 Honda Accord EX with FWD, Air Conditioning, Alloy Wheels, CD (Single Disc), Cruise Control, Fog Lights, Keyless Entr...

Body Type: Sedan

Engine: 4 Cyl 2.4 L

Honda of Chantilly 703.6348 Photos

Location: Chantilly, VA (3 miles from Centreville, VA)

Consumers Trust CARFAX

The concept is rather simple: determine the retail market value of a vehicle declared by an insurer to be a “total loss” at the moment just prior to the loss event. Consumers want and need to trust that the value offered for their damaged vehicle aligns with other like vehicles currently in market. To that end, credibility, transparency, and verifiability are critical elements in arriving at an acceptable total loss valuation. CARFAX is a nationally recognized and trusted source that brings these crucial qualities to the total loss settlement process.

CARFAX is headquartered in Centreville, Virginia with offices in Columbia, Missouri; London, Ontario; Dallas, Texas; New York, New York; and Munich, Germany. The company is a unit of London, UK-based IHS Markit (NASDAQ: INFO), a world leader in critical information analytics and solutions. The CARFAX Total Loss Valuation service is managed and maintained by dedicated teams within the CARFAX Banking & Insurance Group while drawing from the same databases, values, and methodology utilized in CARFAX’s many other products and services. Thus, the information provided to insurers is the same information trusted by consumers, auto dealers, auto lenders, and others in the used car marketplace.




of **CONSUMERS**
Know and Trust
CARFAX®

The Process... Streamlined With Less Subjectivity

To create a CARFAX Total Loss Valuation report, an insurance adjuster enters the loss vehicle’s license plate or VIN at CarfaxForClaims.com along with the owner’s zip code and the vehicle’s current odometer reading (if available). This generates a CARFAX History-Based Value based on the information CARFAX currently knows about that vehicle – using the same valuation method customers see in CARFAX’s other products. The adjuster can then add supplemental information about the loss vehicle’s condition and/or information about other equipment and features to refine the History-Based Value when statistically relevant according to the CARFAX valuation model. All of this information is retained and documented for later verification by the vehicle owner. This reduces subjectivity by putting the adjuster and the vehicle owner in agreement about the loss vehicle’s equipment and condition.

CARFAX also identifies up to 10 in-market comparable vehicles that are currently listed for sale on the CARFAX Used Car Listings website and pre-selects up to 3 vehicles deemed to be most similar according to its proprietary matching technology. The total loss adjuster may then evaluate the comparability of the pre-selected vehicles, and may replace them with any 3 from the original vehicles identified. CARFAX encourages users to accept its comparable vehicle selections without modification, however changing the comparable vehicles selected has no bearing on the loss vehicle valuation provided by CARFAX. Again, the adjuster cannot manipulate the loss vehicle’s value based on selection of comparable vehicles. This removes a tremendous amount of subjectivity that exists in other total loss valuation methodologies.

Once the adjuster is finished, the resulting report is saved as a PDF within the tool. The CARFAX Total Loss Valuation report PDF may then be printed or emailed for delivery to the loss vehicle owner. An electronic version of the report includes a CARFAX Vehicle History Report for the total loss vehicle and hyperlinks to the actual dealer listings for those vehicles being presented as comparables.



TOTAL LOSS VALUATION REPORT

















Claim Number: 1234
Prepared for Homeland United Automotive Insurance

Your Claim Information

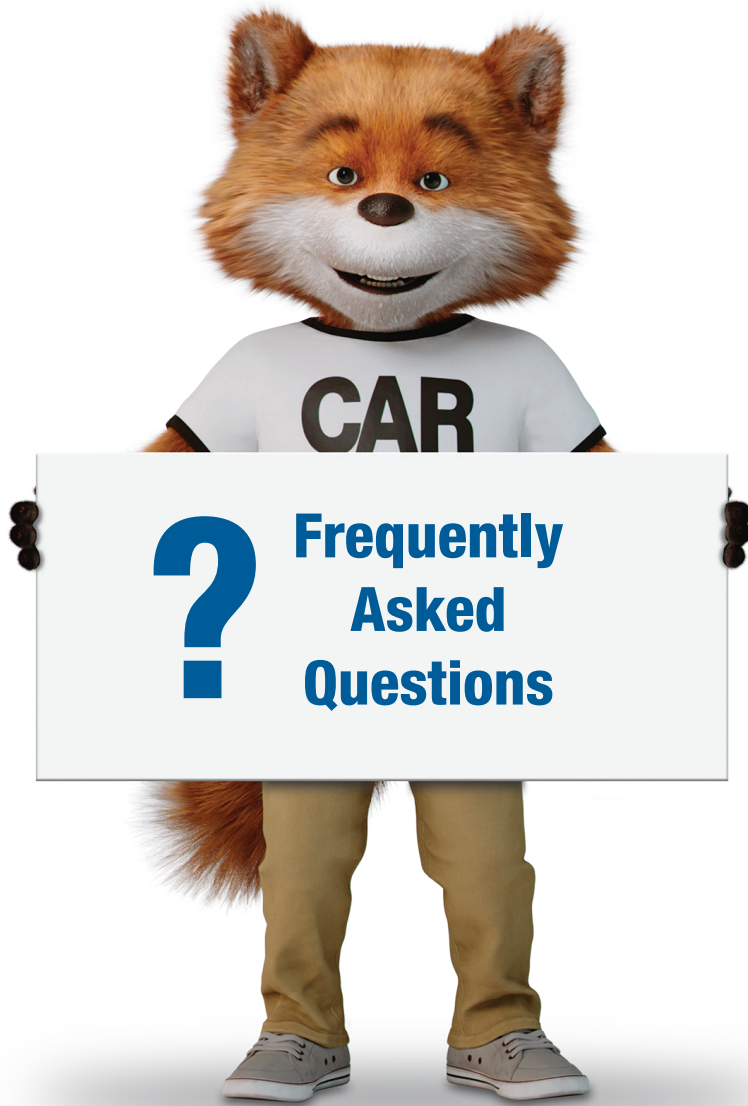
Subject Vehicle: 2015 Honda Civic LX VIN: 19XFB2F57FE272290 Odometer: 31,456 miles Zip Code: 20120	Claim Number: 1234 Date of Loss: 05/15/2019 Report Date: 05/17/2019
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Your Vehicle Value

Your Vehicle

How CARFAX Calculated Value	Worth Less Worth More
Step 1 Identified the vehicle's EQUIPMENT <ul style="list-style-type: none"> ✓ Sedan 4 DR ✓ 1.8 L I4 F SOHC 16V ✓ Gasoline ✓ Convenience Package ✓ Technology Package ✓ Moonroof / Sunroof ✓ Simulated Alloy Interior Trim 	Base model Fully equipped 
Step 2 Assessed pre-accident CONDITION <ul style="list-style-type: none">  Good  31,456 miles 	Poor Condition Excellent Condition  High Mileage Low Mileage 
Step 3 Analyzed local MARKET supply <ul style="list-style-type: none">  20120 	More supply Less Supply 
Step 4 Adjusted for pre-accident VEHICLE HISTORY <ul style="list-style-type: none">  No Accidents/Damage Reported  1-Owner  Regular Oil Changes  Personal Vehicle 	Accident/Damage No Accident/Damage  Multiple Owners 1-Owner  Poorly Serviced Well Maintained  Taxi Use Personal Use 
Step 5 Computed a VIN-SPECIFIC VALUE	<div style="display: flex; align-items: center; justify-content: center;">  <div style="text-align: left;"> <p style="margin: 0; font-weight: bold;">Your Vehicle's Value</p> <p style="margin: 0; font-size: 24px; color: #0070c0; font-weight: bold;">\$13,870</p> </div> </div>

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1 of 8



Question 1

What product or service does CARFAX wish to provide?

A: CARFAX has developed a new and innovative Total Loss Valuation service that will revolutionize the way insurance companies settle automobile total loss claims.

Question 2

What other products and services does CARFAX offer?

A: CARFAX has a long history of providing vehicle validation and valuation services to the insurance industry, the used car industry, the auto finance industry, and to the car-buying public.

- The CARFAX Vehicle History Report, the company's flagship product, is a trusted resource helping to resolve the information asymmetry that exists around used cars.
- CARFAX's patented History-Based Value is a VIN-specific valuation model based on the current local market supply and demand for vehicles of like kind, quality, and history.
- CARFAX Used Car Listings is a used-vehicle shopping website displaying millions of vehicles listed by thousands of auto dealers.
- myCARFAX is a free service that helps car owners care for their car by providing access to their vehicle's service history reported to CARFAX. myCARFAX helps track what's been done, alert consumers to open recalls and upcoming services due, as well as helping consumers find nearby repair shops.
- In addition, CARFAX offers a number of other products to consumers and various industry segments.

Question 3

Why did CARFAX enter this product line?

A: The existing practice of valuing a total loss vehicle based on the values of a small number of comparable vehicles is fraught with subjectivity. Furthermore, it does not consider the unique history of a vehicle and the impact of that history on the vehicle's value. CARFAX feels that it can increase accuracy and reduce subjectivity in the total loss valuation process.

With its patented History-Based Value, trusted consumer brand, and nationwide Used Car Listings website, CARFAX is uniquely positioned to extend its product offerings to the insurance industry by providing a superior total loss valuation service.

Question 4

Do any of your current product offerings support or complement your vehicle valuation product?

A: The information used in the CARFAX Total Loss Valuation service draws from the same databases, values, and methodology utilized in CARFAX's many other products and services. Thus, the information provided to insurers is the same information trusted by consumers, auto dealers, auto lenders, and others in the used car marketplace.

CARFAX is already utilized by over 300 auto insurance claims organizations in the resolution of auto physical damage claims. Insurers can now access the new CARFAX Total Loss Valuation report through the claims-centric web portal, CarfaxForClaims.com.

Question 5

In what industries are your current products/services already utilized?

A: Consumers regularly use CARFAX products to add confidence in the purchase, maintenance, and sale of used vehicles. Used car dealers routinely utilize CARFAX products to reduce doubt and stress in the dealer-buyer relationship. Insurers and auto lenders use CARFAX products to help evaluate a vehicle when assessing their risk exposure. CARFAX also helps a wide range of other industries including governments, law firms, police agencies, service and repair facilities, and auto auctions among others.

Question 6

How do you calculate a vehicle's value?

A: The CARFAX History-Based Value is a VIN-specific value based on current local market supply and demand for vehicles of like kind, quality, and history. It is derived using a statistical regression model incorporating pricing data from millions of used car listings in combination with each vehicle's unique trim and options, mileage, condition, location, and hundreds of other attributes drawn from CARFAX's vast vehicle history database.

In addition, the CARFAX History-Based Value incorporates the recency, frequency, and severity of these factors in combination with each vehicle's unique attributes to arrive at a unique value for each unique vehicle. It analyzes vehicle pricing down to the zip code level and only expands beyond the zip code when needed to arrive at a statistically valid set of pricing observations. The CARFAX value has been viewed over 1.1 billion times and is currently available for vehicle model years 2000 and later, covering more than 99% of vehicles released in the U.S. in the last 15 model years.

Question 7

What data is used when deriving a vehicle's value?

A: The CARFAX History-Based Value is derived using a statistical regression model incorporating pricing data from millions of used car listings in combination with each vehicle's unique trim and options, mileage, condition, location, and hundreds of other attributes drawn from CARFAX's vast vehicle history database. With over 22 billion records from more than 112,000 data sources, CARFAX is the most comprehensive vehicle history source available in the U.S. and Canada providing access to key information such as accidents and other damage, number of owners and title history, service records, and open recalls and service bulletins to name a few.

Question 8

Does your total loss valuation product use recent vehicle sales when determining a vehicle's value?

A: Yes. CARFAX analyzes recent vehicle sales listings and newly posted used car listings received weekly from more than 18,000 used car dealers. This means the CARFAX History-Based Value is derived using both recent vehicle sales as well as the pricing for vehicles currently being offered for sale in the market to arrive at the current retail value of a used vehicle.

Question 9

Does your total loss valuation product compute statistically valid retail values, including all major options and equipment, and applicable allowances for mileage and condition, for at least 85% of all makes and models for at least each of the last 15 model years?

A: Yes. The CARFAX History-Based Value employs a statistical regression model utilizing retail pricing data from millions of used car listings. It is used by millions of consumers, auto dealers, and auto lenders to assess the current retail value of a used vehicle.

The VIN-specific value considers a vehicle's unique trim and options, mileage, condition, location, and hundreds of other attributes drawn from CARFAX's vast vehicle history database. The CARFAX value has been viewed over 1.1 billion times and is currently available for vehicle model years 2000 and later, covering more than 99% of vehicles released in the U.S. in the last 15 model years.

Question 10

How do you define "local market area"?

A: The CARFAX History-Based Value is based on the supply and demand for vehicles of like kind, quality, and history in an area with a dynamic radius starting at the zip code level. The larger the supply of comparable vehicles in a given market, the smaller the radius used. The starting radius used is 10 miles from the geographic center of the zip code where the loss vehicle is located.

Of course population density can affect the volume of used vehicles in a geographic area, so rural areas tend to have a wider geographic local market area than urban areas. Likewise, vehicles with small production runs tend to have a wider geographic local market area than vehicles manufactured on a large scale.

Question 11

How current is the data that is used to produce your values?

A: CARFAX receives data from more than 112,000 sources, averaging more than 5 million records loaded daily. Frequency of update varies by data source with some sources providing data daily and others updating weekly, monthly, quarterly, or semi-annually. The CARFAX History-Based Value uses the most current data available within the CARFAX databases, including a weekly assessment of local market supply and demand.



TOTAL LOSS VALUATION REPORT

Claim Number: 1234

Prepared for Homeland United Automotive Insurance

Your Claim Information

Subject Vehicle: 2015 Honda Civic LX
VIN: 19XFB2F57FE272290
Odometer: 31,456 miles
Zip Code: 20120

Claim Number: 1234
Date of Loss: 05/15/2019
Report Date: 05/17/2019

Your Vehicle Value

Your Vehicle

How CARFAX Calculated Value

Step 1 Identified the vehicle's EQUIPMENT

- ✓ Sedan 4 DR
- ✓ 1.8 L I4 F SOHC 16V
- ✓ Gasoline
- ✓ Convenience Package
- ✓ Technology Package
- ✓ Moonroof / Sunroof
- ✓ Simulated Alloy Interior Trim

Step 2 Assessed pre-accident CONDITION

- 📄 Good
- 🕒 31,456 miles

Step 3 Analyzed local MARKET supply

- 📍 20120

Step 4 Adjusted for pre-accident VEHICLE HISTORY

- 🏠 No Accidents/Damage Reported
- 🏠 1-Owner
- 🏠 Regular Oil Changes
- 🏠 Personal Vehicle

Step 5 Computed a VIN-SPECIFIC VALUE

Worth Less

Worth More

Base model Fully equipped



Poor Condition Excellent Condition



High Mileage Low Mileage



More supply Less Supply



Accident/Damage No Accident/Damage



Multiple Owners 1-Owner



Poorly Serviced Well Maintained



Taxi Use Personal Use



Your Vehicle's Value
\$13,870



TOTAL LOSS VALUATION REPORT

Claim Number: 1234

Prepared for Homeland United Automotive Insurance

Valuation Methodology

How CARFAX Calculated Value

<p>Step 1 Identified the vehicle's EQUIPMENT</p>	<p>An appraiser inspected your vehicle, confirming the year, make, model, trim level, and options. A vehicle with more equipment/options is generally worth more than a base model with less equipment and/or fewer options.</p> <p>CARFAX's proprietary statistical regression model analyzes pricing data from millions of used car listings along with each vehicle's unique trim and options. This model evaluated your vehicle's equipment and determined the impact on your vehicle's value.</p> <p>Please note that some options do not have a material impact on a vehicle's value. Likewise, aftermarket parts are not included in CARFAX's value assessment but may be considered by your insurance company as part of the claim settlement.</p>
<p>Step 2 Assessed pre-accident CONDITION</p>	<p>An appraiser assessed the condition of your vehicle in 7 different areas (see page 3). Since the appraiser is unable to view your vehicle prior to your recent accident, they have estimated pre-accident condition as poor, fair, good, or excellent based on a set of objective standards. These details were used to arrive at an overall condition for the vehicle.</p>
<p>Step 3 Analyzed local MARKET supply</p>	<p>Fewer similar vehicles in a geographic area means buyers are willing to pay more for those vehicles. CARFAX analyzed the supply and demand for vehicles of like kind, quality, and history in your area and adjusted your vehicle's value accordingly. We used an area with a dynamic radius starting at 10 miles from the geographic center of the zip code where your vehicle is located.</p>
<p>Step 4 Adjusted for pre-accident VEHICLE HISTORY</p>	<p>CARFAX has the world's largest vehicle history database and we take your vehicle's unique history into consideration when assessing its value.</p> <p>All things being equal, a vehicle with no prior damage is perceived to be worth more than one with a previous accident. Likewise, car buyers tend to pay a premium for one-owner vehicles and those with a well-documented service history. CARFAX quantifies these and other factors, incorporating recency, frequency, and severity to determine the impact on your vehicle's value.</p>
<p>Step 5 Computed a VIN-SPECIFIC VALUE</p>	<p>This is your vehicle's unique value based on its unique combination of equipment, pre-accident condition, market supply, and pre-accident vehicle history.</p> <p>This value does not consider taxes, fees, your deductible, and other items that will impact your final insurance settlement value. This is the value of your vehicle prior to your recent accident and based on the information provided by the appraiser and other sources.</p>



TOTAL LOSS VALUATION REPORT

Claim Number: 1234

Prepared for Homeland United Automotive Insurance

Your Vehicle Details

Aftermarket Parts

1. Rear-spoiler
2. Tinted Windows

Vehicle Condition

Overall Condition

GOOD

Guideline: No major mechanical problems and only minor cosmetic flaws.

Condition Details

Body: GOOD

Guideline: Some minor dents; no rust; no repairs required.

Inspection Notes: Small dings on the driver and passenger doors

Exterior Trim: GOOD

Guideline: Minor wear or dings on side moldings; stone chips or slight peeling on the front grille.

Inspection Notes: 2 small stone chips on front grille

Glass: FAIR

Guideline: May have wiper blade streaks or stone chips on windshield; other glass may have scratches; meet state's minimum safety standards.

Inspection Notes: Small scratch on passenger-side windshield

Interior: GOOD

Guideline: Some surfaces reflect slight wear (carpet, arm rests, seat cushions, console tops) but no rips, stains or burns; some detailing required.

Inspection Notes: Slight wear on driver and headrest

Mechanical: GOOD

Guideline: No fluid or exhaust leaks; some sediment on engine surfaces; runs and shifts fine.

Inspection Notes: No leaks or engine grime visible

Paint: GOOD

Guideline: Some slight panel refinish flaws like nicks, stone chips or minor scratches that do not reach bare metal; no visible rust.

Inspection Notes: Minor scratches on hood

Tires: GOOD

Guideline: Matched set of 4 tires with tread depth above driving standards; no tears or gouges.

Inspection Notes: 4 matching Michelin tires with 4/32 tread depth remaining



TOTAL LOSS VALUATION REPORT

Claim Number: 1234

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Vehicle Comparison

The following vehicles were available for purchase on the CARFAX Used Car Listings (www.Carfax.com/cars-for-sale) as of the Report Date and are representative of comparable in-market vehicles currently for sale. These vehicles were selected for display based on similar year, make, model, trim, location, mileage, and/or vehicle history compared to your car.

	Your Car 2015 Honda Civic LX	In-Market Vehicle 1 2015 Honda Civic LX	In-Market Vehicle 2 2015 Honda Civic LX	In-Market Vehicle 3 2015 Honda Civic LX
History-Based Value @ Good Condition	\$13,870	\$12,740	\$13,420	\$13,830
Mileage	31,456 miles	34,657 miles	31,802 miles	31,472 miles
Vehicle History				
Accident/Damage	No Accidents Reported	Damage Reported	Damage Reported	No Accidents Reported
Ownership	1-Owner Vehicle	Multiple Owners	1-Owner Vehicle	Multiple Owners
Service	Service History	Service History	Service History	Service History
Use Type	Personal Vehicle	Personal Vehicle	Rental Vehicle	Non-personal Vehicle
Listed For Sale At		DARCARS Pre-Owned 10620 Fairfax Blvd, Fairfax, VA 22030 (1.5 miles away) 703-385-0500 View Listing	Fairfax Motors 9909 Main St, Fairfax, VA 22031 (2 miles away) 703-996-4927 View Listing	AP Fairfax 9711 Fairfax Blvd, Fairfax, VA 22030 (3 miles away) 888-278-5933 View Listing
Equipment				
Body Style	Sedan	Sedan	Sedan	Sedan
Engine	1.8L I4 F SOHC 16V	1.8L I4 F SOHC 16V	1.8L I4 F SOHC 16V	1.8L I4 F SOHC 16V
Drive Type	FWD	FWD	FWD	FWD
Fuel	Gasoline	Gasoline	Gasoline	Gasoline
Exterior Color	Red	Red	Red	Red
Interior Color	Black	Black	Black	Black
Alloy Wheels	✓	✓	✓	✓
Anti-Lock Brakes	✓	✓	✗	✓
Anti-Theft System	✓	✗	✓	✓
Console Storage	✓	✓	✗	✗
Cruise Control	✓	✓	✓	✓
Drivers Side Air Bag	✓	✓	✓	✓



TOTAL LOSS VALUATION REPORT

Claim Number: 1234

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	Your Car	In-Market Vehicle 1	In-Market Vehicle 2	In-Market Vehicle 3
Equipment				
Front Side Impact Air Bags	✓	✓	✓	✓
Hands Free Bluetooth Phone	✗	✓	✓	✓
Head/Curtain Air Bags	✓	✓	✓	✓
Keyless Entry	✓	✓	✗	✓
Leather (or Cloth) Seats	✓	✗	✓	✓
Passenger Air Bag	✓	✓	✓	✓
Power Liftgate	✗	✗	✗	✗
Rear Air Bag	✓	✓	✓	✓
Rearview Camera	✓	✗	✗	✓
Satellite Radio	✓	✓	✓	✓
Stability Control	✓	✓	✓	✓
Steering Wheel Mounted Controls	✓	✓	✓	✓
Tinted Glass	✗	✓	✓	✓
Tire Pressure Monitoring System	✓	✗	✓	✓
Traction Control	✓	✓	✓	✗



TOTAL LOSS VALUATION REPORT

Claim Number: 1234

Prepared for Homeland United Automotive Insurance

CARFAX Vehicle History Report

CARFAX® Vehicle History Report™

An independent company established in 1986

<p>Vehicle Information: 2015 HONDA CIVIC LX VIN: 19XFB2F57FE272290 SEDAN 4 DR 1.8L I4 SOHC 16V GASOLINE FRONT WHEEL DRIVE Standard Equipment Safety Options</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 50px;"></td> <td>No accidents reported to CARFAX</td> </tr> <tr> <td style="text-align: center;"></td> <td>No damage reported to CARFAX</td> </tr> <tr> <td style="text-align: center;"></td> <td>CARFAX 1-Owner vehicle</td> </tr> <tr> <td style="text-align: center;"></td> <td>4 Service history records</td> </tr> <tr> <td style="text-align: center;"></td> <td>Personal lease vehicle</td> </tr> <tr> <td style="text-align: center;"></td> <td>28,513 Last reported odometer reading</td> </tr> </table>		No accidents reported to CARFAX		No damage reported to CARFAX		CARFAX 1-Owner vehicle		4 Service history records		Personal lease vehicle		28,513 Last reported odometer reading
	No accidents reported to CARFAX												
	No damage reported to CARFAX												
	CARFAX 1-Owner vehicle												
	4 Service history records												
	Personal lease vehicle												
	28,513 Last reported odometer reading												

This CARFAX Vehicle History Report is based only on information supplied to CARFAX and available as of 4/23/19 at 11:01:38 AM (CDT). Other information about this vehicle, including problems, may not have been reported to CARFAX. Use this report as one important tool, along with a vehicle inspection and test drive, to make a better decision about your next used car.

Ownership History	Owner 1
The number of owners is estimated	
Year purchased	2015
Type of owner	Personal lease
Estimated length of ownership	3 yrs. 7 mo.
Owned in the following states/provinces	New York
Estimated miles driven per year	7,834/yr
Last reported odometer reading	28,513

Title History	Owner 1
CARFAX guarantees the information in this section	
Salvage Junk Rebuilt Fire Flood Hail Lemon	Guaranteed No Problem
Not Actual Mileage Exceeds Mechanical Limits	Guaranteed No Problem
<p>GUARANTEED - None of these major title problems were reported by a state Department of Motor Vehicles (DMV). If you find that any of these title problems were reported by a DMV and not included in this report, CARFAX will buy this vehicle back. Register View Terms</p>	

Additional History	Owner 1
Not all accidents / issues are reported to CARFAX	
Total Loss No total loss reported to CARFAX.	No Issues Reported
Structural Damage No structural damage reported to CARFAX.	No Issues Reported




TOTAL LOSS VALUATION REPORT

Claim Number: 1234

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Airbag Deployment No airbag deployment reported to CARFAX.	<input checked="" type="checkbox"/> No Issues Reported
Odometer Check No indication of an odometer rollback.	<input checked="" type="checkbox"/> No Issues Indicated
Accident / Damage No accidents or damage reported to CARFAX.	<input checked="" type="checkbox"/> No Issues Reported
Manufacturer Recall No open recalls reported to CARFAX. Check with an authorized Honda dealer for any open recalls.	<input checked="" type="checkbox"/> No Recalls Reported


CARFAX		Detailed History			Glossary
Owner 1 Purchased: 2015 Type: Personal lease Where: New York Est. miles/year: 7,834/yr Est. length owned: 7/23/15 - 3/4/19 (3 yrs. 7 mo.) Low mileage! This owner drove less than the industry average of 15,000 miles per year. 	Date:	Mileage:	Source:	Comments:	
	07/02/2015		Paragon Honda Woodside, NY 718-507-5000 paragonhonda.com 4.1 ★★★★★ 405 Verified Reviews	Vehicle offered for sale	
	07/21/2015	2	New York Inspection Station	Dealer had vehicle inspected to prepare it for sale Passed safety inspection Emissions inspection performed View what was inspected	
	07/22/2015	4	Paragon Honda Woodside, NY 718-507-5000 paragonhonda.com 4.1 ★★★★★ 405 Verified Reviews	Pre-delivery inspection completed Fluids checked	
	07/23/2015		Paragon Honda Woodside, NY 718-507-5000 paragonhonda.com 4.1 ★★★★★ 405 Verified Reviews	Vehicle sold	
	07/23/2015		New York Motor Vehicle Dept. Staten Island, NY	Registration issued or renewed Titled or registered as personal lease vehicle Passed safety inspection	
	08/11/2015		New York Motor Vehicle Dept. Holyoke, MA	Title issued or updated First owner reported Titled or registered as personal lease vehicle  Two states? Vehicle leasing companies often title a car in one state but register it to be driven in another.	
	11/12/2015	4,638	Paragon Honda Woodside, NY 718-507-5000	Vehicle serviced	




TOTAL LOSS VALUATION REPORT

Claim Number: 1234

Prepared for Homeland United Automotive Insurance

			paragonhonda.com 4.1 ★★★★★ 405 Verified Reviews
07/28/2016	14,257	New York Inspection Station	Passed safety inspection Emissions inspection performed View what was inspected
02/14/2017	20,369	Prela Enterprises Bayside, NY 718-357-3844 5.0 ★★★★★ 102 Verified Reviews	Emissions or safety inspection performed
02/14/2017		New York Inspection Station	Passed safety inspection Passed emissions inspection View what was inspected
06/07/2017		New York Motor Vehicle Dept. Staten Island, NY	Registration issued or renewed Titled or registered as personal lease vehicle Passed safety inspection
05/08/2018		Prela Enterprises Bayside, NY 718-357-3844 5.0 ★★★★★ 102 Verified Reviews	Oil and filter changed Steering/suspension lubricated Fluids checked Tire condition and pressure checked
03/04/2019	28,334	Auto Auction Pennsylvania	Vehicle sold at auction  Millions of used vehicles are bought and sold at auction every year.
04/04/2019	28,513	Dealer Inventory	Vehicle offered for sale
04/13/2019		Honda Certified Dealer Derwood, MD	Offered for sale as a Honda Certified Pre-Owned Vehicle Alabaster Silver Metallic exterior Black interior

Have Questions? Consumers, please visit our Help Center at www.carfax.com. Dealers or Subscribers, please visit our Help Center at www.carfaxonline.com.


[View Full Glossary](#)

First Owner

When the first owner(s) obtains a title from a Department of Motor Vehicles as proof of ownership.

Ownership History

CARFAX defines an owner as an individual or business that possesses and uses a vehicle. Not all title transactions represent changes in ownership. To provide estimated number of owners, CARFAX proprietary technology analyzes all the events in a vehicle history. Estimated ownership is available for vehicles manufactured after 1991 and titled solely in the US including Puerto Rico. Dealers sometimes opt to take ownership of a vehicle and are required to in the following states: Maine, Massachusetts, New Jersey, Ohio, Oklahoma, Pennsylvania and South Dakota. Please consider this as you review a vehicle's estimated ownership history.

Title Issued

A state issues a title to provide a vehicle owner with proof of ownership. Each title has a unique number. Each title or registration record on a CARFAX report does not necessarily indicate a change in ownership. In Canada, a registration and bill of sale are used as proof of ownership.

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Covered by United States Patent Nos. 7,113,853; 7,778,841; 7,596,512, 8,600,823; 8,595,079; 8,606,648; 7,505,838. 4/23/19 11:01:38 AM (CDT)

Question 12

Does your system rely on values of vehicles currently available for sale?

A: Yes. The CARFAX History-Based Value is derived using a statistical regression model that incorporates pricing data from millions of recent and current used car listings. CARFAX collects listings weekly from more than 18,000 used car dealers nationwide, covering a wide variety of dealer organizations and their used car inventories within each geographic market.

Question 13

Does your tool represent national or regional values?

A: The CARFAX History-Based Value is based on the supply and demand for vehicles of like kind, quality, and history in an area with a dynamic radius starting at the zip code level. The larger the supply of comparable vehicles in a given market, the smaller the radius used. Typically the radius is less than 10 miles from the geographic center of the zip code where the loss vehicle is located.

Of course population density can affect the volume of used vehicles in a geographic area, so rural areas tend to have a wider geographic local market area than urban areas. Likewise, vehicles with small production runs tend to have a wider geographic local market area than vehicles manufactured on a large scale.

Question 14

How is your vehicle valuation product different from other valuation services?

A: CARFAX's proprietary History-Based Value is the only VIN-specific valuation model available to insurers performing total loss valuations today – generating the same value consumers see in CARFAX's other products. Accuracy is improved by evaluating the current local market supply and demand for vehicles of like kind, quality, and history at the zip code level. In addition, subjectivity is reduced because the CARFAX value is not affected by an individual total loss adjuster's selection of comparable vehicles.

Question 15

Are your valuation reports available to the public?

A: The myCARFAX app (myCarfax.com) provides consumers with free access to the CARFAX History-Based Value of their own vehicle. In addition, the value is included for consumers purchasing a CARFAX Vehicle History Report.

The CARFAX Total Loss Valuation tool is only available to insurers with a subscription to CarfaxForClaims.com, however it is expected that the total loss adjuster will provide a copy of the valuation report to the owner of the loss vehicle.

Question 16

How does your service benefit the consumer?

A: The CARFAX Total Loss Valuation service utilizes the CARFAX History-Based Value, a VIN-specific value based on current local market supply and demand for vehicles of like kind, quality, and history widely used by millions of consumers and business professionals. The VIN-specific nature, local market focus, and statistically valid sample size gives consumers a more accurate assessment of their vehicle's value than other valuation services. The value cannot be manipulated based on the selection of comparable vehicles, thus removing a tremendous amount of subjectivity that exists in other total loss valuation methodologies.

In addition, the CARAX Total Loss Valuation report presents a consumer with actual dealer listings for comparable used vehicles for sale in the same local market area. In other words, it shows the consumer where they can purchase a replacement vehicle of truly similar kind and quality to the total loss vehicle.

Question 17

Does your product integrate with insurance carrier claim systems?

A: No, not in its current form. The CARFAX Total Loss Valuation tool is currently only available through CarfaxForClaims.com, a standalone website available to registered subscribers. While optimized for a computer screen, the site scales automatically to render on a tablet or other mobile device. The resulting report is saved as a PDF within the tool whereupon it can easily be exported to any other system and delivered via email or hard copy as desired.

Question 18

What technology is the user required to have in order to utilize your product?

A: The Carfax Total Loss Valuation tool is available through the CarfaxForClaims.com website. To access the site, the user needs a web browser supporting SSL technology, such as Internet Explorer 10 or newer, Google Chrome, or Mozilla Firefox. While optimized for a computer screen, the site scales automatically to render on a tablet or other mobile device.

Question 19

How is your product delivered to the total loss vehicle owner?

A: The CARFAX Total Loss Valuation report is saved as a PDF and can be printed or emailed for delivery to the loss vehicle owner.

Question 20

Where is your company located?

A: CARFAX is headquartered in Centreville, Virginia with offices in Columbia, Missouri; London, Ontario; Dallas, Texas; New York, New York; and Munich, Germany. The company is a unit of London, UK-based IHS Markit (NASDAQ: INFO), a world leader in critical information analytics and solutions. The CARFAX Total Loss Valuation service is managed and maintained by dedicated teams within the CARFAX Banking & Insurance Group.

Question 21

How long has your company been in operation?

A: CARFAX was founded in 1984 to help consumers address the information asymmetry that exists around used cars. Today, more than 35 years later, CARFAX is recognized as the leading source of vehicle history information for buyers and sellers of used cars. The company has the most comprehensive vehicle history database available in North America and every year millions of consumers trust CARFAX to help research and value a used vehicle.

Question 22

Are your products nationally recognized and commonly used in the automobile industry?

A: CARFAX is widely recognized as the leading source of vehicle history information in North America. The company's products (e.g. the CARFAX History-Based Value and Vehicle History Report) are used across the U.S. by millions of consumers, auto dealers, auto lenders, and auto insurers.

More than 28,000 used car dealers across the U.S. regularly purchase CARFAX products with over 14,000 dealer websites displaying the CARFAX History-Based Value on millions of vehicles listed for sale. In addition, over 300 auto insurance claims organizations, including many national and regional carriers, rely on CARFAX in the resolution of their auto physical damage claims.

Question 23

How is your product supported? How do users get assistance/training when using it?

A: The CARFAX Total Loss Valuation tool includes online contextual assistance for help with content definitions, navigation, and general usage. In addition, CARFAX has a world class customer service center staffed by product support experts who are available 9 am–5 pm ET, Monday through Friday. Users needing assistance can call 1-800-789-6232 or email BIGcustomerservice@carfax.com.

Question 24

What quality control and audit mechanisms do you employ to ensure data integrity?

A: CARFAX utilizes a variety of cloud and server-based technologies to support and deliver its products. The data used in the statistical regression model that produces the CARFAX History-Based Value is updated regularly to reflect changes in local market supply and demand at the zip code level. The model is also validated regularly for accuracy, integrity, and resiliency by a dedicated team composed of data scientists and statisticians.

CARFAX also employs a large data research team to investigate and correct any anomalies detected in the underlying vehicle data, both at the time of data load as well as when reported by one of the millions of CARFAX customers. CARFAX data is reviewed by millions of consumers, over 28,000 auto dealers, and thousands of insurance and other professionals. While the CARFAX data correction rate is less than one in ten thousand records, this heavy level of scrutiny effectively ensures a high degree of data integrity.

Question 25

What is your data retention policy? How long are your reports available for retrieval?

A: Vehicle history information in the CARFAX databases is retained indefinitely and CARFAX maintains 100% redundancy in its systems and data repositories.

The CARFAX History-Based Value is updated dynamically as new data is received and/or the underlying model is enhanced. However once a user generates a PDF report within the CARFAX Total Loss Valuation tool, that PDF is retained within the system for future access/printing no less than 24 months. Users also have the ability to download the PDF and save it electronically or in hard copy as needed to satisfy legal and regulatory requirements.

1. Would the insurer's Commercial version of the Total Loss Valuation and the version available to consumers differ?
 - If not, how does Carfax limit its access to ensure that only the consumer who owns the vehicle is able to access the free version?
 - If yes, does that mean that when insurers calculate a total loss value, Rhode Island consumers would be able to go online and with the same information, receive the same value for their vehicle?

CARFAX Response: The CARFAX Total Loss Valuation Service is only available to insurers so they may compile a report for presentation to their loss customer. The CARFAX Total Loss Valuation Service uses the CARFAX History-Based Value to produce a retail value for the loss vehicle. CARFAX History-Based Value is a tool currently viewed by millions of consumers and thousands of automobile dealers. Consumers entering the same mileage, zip code, and vehicle condition will receive the same retail value for their vehicle as they would see on their Total Loss Valuation Report generated using the CARFAX Total Loss Valuation Service. Consumers can access the CARFAX History-Based Value at no cost through the myCARFAX app (Carfax.com/Service) or at Carfax.com/Value.

2. We assume that you're aware of the Department's last two decisions with regards to other applicants (see [here](#) for the 2018 decision regarding Mitchell International, Inc. and [here](#) for filings in that matter, and [here](#) for the 2014 decision regarding the initial applicants).
 - In the 2018 decision, the Insurance Division argued that the Hearing Officer should consider a 3-part test for qualification: 1) whether the applicant is a nationally recognized compilation of retail values; 2) commonly used in the automotive industry; 3) without arbitrary deductions.

CARFAX Response: The CARFAX Total Loss Valuation Service meets the three part test. The CARFAX Total Loss Valuation Service uses CARFAX History-Based Value to determine a loss vehicle's retail value. CARFAX has thousands of dealer customers nationally. CARFAX products and services, including the CARFAX History-Based Value, are well-established tools used by automobile dealers and automobile finance companies every day. The CARFAX History-Based Value is viewed by millions of consumers and thousands of automobile dealers. The CARFAX Used Car Listings website, which lists vehicles available for sale from subscribing automobile dealers, includes the CARFAX History-Based Value for each vehicle listed, allowing consumers to compare a vehicle's asking price against its History-Based Value. CARFAX History-Based Value is a statistical regression model incorporating pricing data from millions of used car listings in combination with each vehicle's unique trim and options, mileage, condition, location, and hundreds of other attributes drawn from CARFAX's vast vehicle history database. Insurance adjusters using the CARFAX Total Loss Valuation Service cannot make arbitrary deductions from the CARFAX History-Based Value when calculating the fair market value of the loss vehicle. The insurance adjuster may adjust certain fields, such as mileage, zip code, condition, trim, and factory options, but the Total Loss Valuation Report generated for the

consumer will show the values entered for these fields, giving the consumer the opportunity to dispute any errors.

- In the Hearing Officer's 2018 decision, she also raised the issue of whether a software tool could be a current edition. Our initial review of your filing didn't see where it directly addresses whether there are editions of your report.

CARFAX Response: The CARFAX History-Based Value, which is the basis of the CARFAX Total Loss Valuation Service, is updated weekly based on then-current vehicle sales data and pricing information from millions of used cars offered for sale. This same value is available to consumers and automobile dealers looking at the same vehicle.

- We didn't see any indication from your application that there are arbitrary deductions included in your system. It might present a clearer record if that issue was explicitly addressed in your statements.

CARFAX Response: Insurance adjusters using the CARFAX Total Loss Valuation Service cannot make arbitrary deductions from the CARFAX History-Based Value when calculating the fair market value of the loss vehicle. The insurance adjuster may adjust certain fields, such as mileage, zip code, condition, trim, and factory options, but the Total Loss Valuation Report generated for the consumer will show the values entered for these fields, giving the consumer the opportunity to dispute any errors.