



Independent Insurance Agent

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Catherine Warren, Esq, Hearing Officer  
1511 Pontiac Ave  
Cranston RI 02920

Dear Ms Warren:

I urge you to reject the CARFAX application as a total loss valuation system. The CARFAX method will unfairly harm many consumers based on flawed assumptions and flawed conditions that will be used to lower values. In addition CARFAX's condition adjustments are not "itemized," in regards to the value of the deductions. The deductions are not transparent, they are not "the standards set forth in the current edition of a nationally recognized compilation of retail values". Instead, deductions will be based on the secret sauce, conditions will vary based on "CARFAX's patented History-Based Value" method. If the deductions were set forth the consumer would be able to see the value of each and every deduction which isn't the case. CARFAX admits that they "incorporate" all their factors, instead of itemizing them. This failure to meet the statutory language requirements should disqualify CARFAX.

I found out about the flawed assumptions first hand when I sold my wife's car to a used car dealer. The dealer reduced the amount that we received for the vehicle because the CARFAX report indicated that the car hadn't been serviced in three years. After my wife's car was out of warranty she had it serviced at small, local, mechanic shops. She had oil changes, tune ups and other service performed regularly but the small local mechanics don't report service information into the CARFAX data base. The car dealer told me, my wife's car hadn't had an oil change in three years. We were penalized because we didn't get our service at a shop that reported to CARFAX.

If my wife's car were a total loss and CARFAX were an approved method there's no knowing how much the alleged lack of service would have cost us. If my wife's car had prior damage there no knowing how much would have been deducted for that by CARFAX's history based valuation, it's not set forth or itemized. Deducting for prior damage which has been professionally repaired is very arbitrary as well as the amount not being itemized/specified.

Patented information and standards set forth is an oxymoron. With NADA/Kelly deductions are delineated, if the vehicle has 20,000 miles above average the deduction is itemized and set forth, a specific negative value is assigned which the consumer can see, there's no secret method that the consumer can't see.

While maybe not a legal standard I hope that good public policy can be taken into consideration. Consumers are happy with the NADA/Kelly Blue Book valuation methods because they are easily assessable, transparent, understandable and have become what the customer expects from a trusted name.

Sincerely,

Ernest Shaghalian, Jr., CPCU, AAI