

**AFFIDAVIT OF PETER LAPLACA, AUTOMOBILE INSURANCE CLAIMS EXPERT
AND CONSULTANT TO CARFAX, INC. IN THE MATTER OF 2020-IN-001
FOR THE CARFAX TOTAL LOSS VALUATION SERVICE**

1. My name is Peter LaPlaca and I am a senior insurance executive with over 35 years of experience in the insurance industry, serving in several roles including Vice President of Claims at Travelers, IAT, and CNA. I swear under the pains and penalties of perjury that I am competent to testify to the matters herein based on my own personal knowledge, experience and expertise.

2. Over the course of my career, I have observed several concerns with the way insurance companies process and settle automobile total loss claims. First, the process is very subjective, effectively allowing an adjuster to manipulate the loss vehicle's value based on the selection of only a few comparable vehicles. Second, some valuation service vendors make a number of seemingly arbitrary deductions when determining a vehicle's actual cash value based on the comparable vehicles selected. Third, most total loss valuation services today do not take into consideration unique historical events that are specific to the loss vehicle, including service history. Finally, consumers are unfamiliar with and lack trust in the existing vendors who provide vehicle valuations to the adjuster. The process to determine the valuation of total loss vehicles today is often described as "black box" magic by an unknown party. The CARFAX Total Loss Valuation Service is the first platform I've seen that addresses these issues.

3. For the past 20 months, I've been reviewing the CARFAX Total Loss Valuation Service. In my opinion, this service addresses the issues plaguing the insurance industry's current total loss valuation process. For example, subjectivity is reduced since the CARFAX Total Loss Valuation Service does not determine a vehicle's value based on a small number of comparable vehicles, nor does it adjust the value based on subjective deductions. The CARFAX Total Loss Valuation Service uses the widely used and nationally recognized CARFAX History-Based Value ("CARFAX Value"), the same value I see on dealer websites and the same value I can get myself on my own car. An Affidavit submitted by Srinidhi Melkote discusses in detail the CARFAX Value model.

4. The CARFAX Total Loss Valuation Service also takes into consideration a vehicle's unique history, which is important since every vehicle's unique history has an impact on that vehicle's unique value. Thus, I believe the CARFAX Value is more accurate than other valuation services. The CARFAX Total Loss Valuation Report incorporates a CARFAX Vehicle History Report for the insured's vehicle, documenting important events in the vehicle's past, often including service records, which are reflected in the CARFAX Value. This is a unique advantage that differentiates CARFAX from the other valuation tools as it can relieve the consumer of the burden to produce maintenance records for the claims adjuster.

5. Finally, insurers and consumers view CARFAX as a nationally recognized and trusted source that provides credibility, transparency and verifiability to the total loss settlement process. Consumers want and need to trust that the value offered for their damaged vehicle is sufficient for replacement and aligns with other like vehicles currently in market. To that end, the CARFAX Total Loss Valuation Report includes information on vehicles of like kind and quality available for sale, something not offered by other valuation services. Each vehicle is presented in a side-by-side comparison of vehicles available as of the report date, often with dealer information and a link to the actual dealer listing. This should help the consumer feel confident they can replace their vehicle for the value offered by the insurance

company. Additionally, the CARFAX Total Loss Valuation Report lays out a consumer-friendly step by step process describing how CARFAX calculated the value. This should help the consumer understand and trust the valuation process. Please see the sample report included in the Affidavit submitted by Jon-Erik Valetti.

6. In my opinion, the CARFAX Total Loss Valuation Service is less subjective, more informative, and more trustworthy than its competitors. I believe that as insurers begin using the CARFAX service, the Insurance Division of the Rhode Island Department of Business Regulation will in turn see a decrease in the number of consumer complaints related to total loss settlements.



Peter LaPlaca

04/19/2020

Date

President

Title

LaPlaca Consulting, LLC

Company Name