



ECFH Financially Speaking

East Caribbean Financial Holding Company Limited

This week we continue our focus on insurance with another related term. Our term for this week's column is: **Total Loss**.

Total Loss is a term used in the insurance industry, where it is determined that it is uneconomical to repair a vehicle. A vehicle would be considered a **total loss** where the cost to repair exceeds 70% of the vehicle's market value or the sum insured whichever is less. The percentage applicable varies across insurance companies. In America the term "totaled" is used while in the UK and Saint Lucia we use the term "constructive total loss."

What does this mean for you?

Although a car is considered a **Total loss** it is not truly worthless. There may be parts which are salvageable and in some cases the vehicles can be repaired. It has become the norm for individuals in Saint Lucia to buy vehicles which were declared a **total loss** from the insurance company and repair them. In recent times we have seen an upsurge in people buying such vehicles overseas and repairing them for use in Saint Lucia.

For more information on the term **Total Loss** and what it means for you as a vehicle owner call our agents at EC Global Insurance Company Limited at 451-3244 or via email ecglobal@ecfh.com .