

‘Storm cars’ could take consumers for a ride

Buyers risk purchasing vehicles damaged by Hurricane Katrina’s floods

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As the Gulf Coast region struggles to return some semblance of normality after Katrina’s battering, consumer advocates are raising a new alarm: Thousands of cars soaked by the hurricane are expected to enter the U.S. car market over the next few months and could be snapped up as bargains by unsuspecting buyers.

Each year, as severe weather ravages the Midwest, southern and coastal areas of the United States, thousands of cars are damaged or destroyed by floods. Most of these so-called "storm cars" are usually sold for parts, but others make their way into the hands of dishonest people who try to fix them and pass them on to unwitting consumers in other states, or sometimes overseas, without disclosing that they have been damaged by flooding.

While it’s too early to have solid numbers, the destruction path left by Hurricane Katrina is likely to lead to flood damage to tens of thousands of cars, notes Robert Hartwig, chief economist with the Insurance Information Institute in New York.

“This is arguably one of the largest flood events in U.S. history, and so car consumers should be more vigilant in the months to come as there could be large number of these vehicles in the market,” said Hartwig. “They usually turn up for sale in the areas where a disaster occurs, but they can also be transported for sale anywhere in the United States.”