



Electric and Hybrid Vehicles Position Statement

Updated: June 1, 2026

Purpose and Scope

This Position Statement is intended to clarify the treatment of Electric and Hybrid vehicles within the NAAA Arbitration framework, including disclosure expectations, arbitration eligibility, and limitations related to battery assessment.

Electric and Hybrid vehicles currently represent a small percentage of wholesale used vehicle transactions at NAAA member auctions, but that percentage is expected to increase over time as market adoption continues.

Assessing Battery Health

Accurate, reliable battery health information is not readily available on most Electric and Hybrid vehicles and may only be available from the original equipment manufacturer (OEM). As a result, proper assessment of a battery in an Electric or Hybrid vehicle requires specialized third-party evaluation services and/or equipment that is still emerging in the marketplace. Due to these limitations and the unique and proprietary nature of vehicle components, which may vary significantly by OEM, assessment of an Electric or Hybrid vehicle battery falls outside the scope of an Auction Condition Report.

Seller Disclosures

As noted in the NAAA Arbitration Guidelines, sellers must disclose Electric or Hybrid vehicle battery problems or concerns requiring repair or replacement that exceed the applicable dollar thresholds for arbitration for vehicles that are eight (8) model years old or newer. Batteries in Electric and Hybrid vehicles over eight (8) model years old are not eligible for arbitration, and disclosure of battery-related damages or concerns on such vehicles is optional for the seller. The current year is year one. For example, in 2026, 8 model years and newer would be 2019 and newer.

Arbitration Eligibility

Per the current NAAA Arbitration Guidelines, buyers may make an arbitration claim on such vehicles purchased at auction if they believe the seller did not disclose damage that exceeds the dollar thresholds for arbitration in the guidelines. Subject to these terms, buyers may arbitrate for damage to batteries that would require repair or replacement of the battery. Eligibility for arbitration does not imply that such conditions are detectable through a visual inspection or standard auction processes.

Arbitration Inspections and Validations

In the event of an arbitration claim involving an Electric or Hybrid vehicle battery and/or related propulsion systems, it is strongly recommended that the claim be evaluated by a qualified third-party technician or service provider selected by the auction. Diagnostic, labor, and transportation costs associated with such evaluation will be allocated between the seller and buyer in accordance with the NAAA Arbitration Guidelines, based on the arbitrator's final decision. If the party retaining ownership of the vehicle (buyer or seller) following arbitration directs the auction to authorize repair or replacement of the battery, that party will be responsible for all associated costs.

Certified Programs

Electric and Hybrid vehicles are eligible for the NAAA Certification Program. Due to the specialized capabilities and diagnostic requirements associated with Electric and Hybrid battery systems and related propulsion components, coverage of these components is not automatic and is subject to whether an individual auction provides these diagnostic services.

If an auction does not offer diagnostic services for Electric and Hybrid battery systems and related propulsion components, then the Electric and Hybrid battery or propulsion components are not covered unless the seller chooses to guarantee those components. In doing so, the seller assumes full responsibility for any arbitration claims arising from the condition or performance of these components, and the seller is responsible for properly announcing and/or disclosing their guarantee. Absent an announcement or disclosure of the seller guarantee, these components are deemed excluded from certification coverage.