

HCS SB 148 -- SALVAGE VEHICLES

SPONSOR: Wasson (Schatz)

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Transportation by a vote of 14 to 0.

This substitute allows a salvage dealer to issue a temporary license plate, to be valid for one week, for the sole purpose of transporting a vehicle to a State Highway Patrol inspection station.

Currently, when you apply for a salvage certificate of title or junking certificate for a vehicle through the claims adjustment process, the insurer must make two written attempts to obtain the certificate of title and provide the Department of Revenue with evidence that the letters were delivered. The substitute requires the insurer to provide the department with evidence that the letters were sent rather than delivered, and also requires the department director to notify the insurer of any additional owners or lien holders he or she identifies. The insurer must then notify the additional owners or lien holders of its intent to obtain title.

The substitute allows an insurer that purchases a vehicle or trailer, subject to a lien, through the claims adjustment process to apply for a salvage title or junking certificate without obtaining a lien release. The insurer may request a letter of guarantee indicating the amount of the lien from each lien holder and pay the amount indicated within 10 days of receipt of the letter. Prior to applying for a salvage title or junking certificate, the insurer must provide to each lien holder a copy of the letter of guarantee and proof of payment from the claim file as proof of satisfaction for the lien or encumbrance. The insurer may then submit copies of all letters of guarantee, proof of payment and title for the vehicle or trailer to the department in lieu of a lien release for processing of the application.

PROPOSERS: Supporters say that this bill will make it simpler for insurers to determine who are the owners and lien holders of motor vehicles so that the insurers can notify them of their intent to obtain a salvage title.

Testifying for the bill was Senator Wasson.

OPPOSERS: There was no opposition voiced to the committee.