



JERRY PETROWSKI

WISCONSIN STATE SENATOR

Senate Bill 320

August 8, 2019

Good morning, members of the committee, and thank you for the opportunity to provide testimony today on Senate Bill 320, which provides some clarification to existing law for insurance companies dealing with salvage vehicle titles.

In general, under current law, if an insurance company makes a payment for a total loss claim on a vehicle, the transfer of interest in that vehicle must be made and vehicle's title must be submitted to the Department of Transportation (DOT) to be changed to a salvage vehicle title. Sometimes, however, insurance companies are faced with uncooperative or unavailable policyholders who, having received their insurance payout, are unresponsive and fail to surrender their vehicle title. In these cases, there is no clear procedure for an insurer to obtain a salvage title.

This bill seeks to create a process that clearly provides for the transfer of a title for a salvage vehicle once an insurance payment has been made, with several requirements.

First, the insurer must provide notice to the owner of the vehicle that he or she must transfer the title of the vehicle to the insurer. If the owner of the salvage vehicle does not transfer the title of the vehicle within 30 days of the payment as required, the insurer may then apply directly to DOT with documentation showing that a payment has been made for the salvage vehicle to the owner and the insurer has *twice* attempted to notify the owner of the vehicle to transfer title of the vehicle.

By clarifying this process, we can help to incentivize the quick payment of claims for salvage vehicles prior to the transfer of title, provide stability and certainty for insurers, and ensure the efficiency of salvage title transfers.

Thank you again for the opportunity to speak on this bill. I would be happy to answer any questions you may have. Representatives from the insurance industry are here today and will also provide testimony.

29TH SENATE DISTRICT

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RON TUSLER

STATE REPRESENTATIVE • 3rd ASSEMBLY DISTRICT

Testimony Before the Senate Committee

on

Transportation, Veterans and Military Affairs

August 8, 2019

Mr. Chairman and members of the Committee, thank you for holding a hearing on Senate Bill 320, relating to: evidence of ownership for purposes of obtaining certain motor vehicle certifications of title.

Under current law, there are a few ways to handle salvage vehicle titles.¹ This bill addresses the circumstance where an insurance payment is made for a salvage vehicle, but the vehicle's title is **not** transferred to the insurer, an insurer may receive a "salvage title" to the vehicle from the DOT. Frequently, policyholders do not transfer title to the insurance company in a timely manner, or sometimes not at all. Additionally, according to industry experts, the DOT does not have any procedures or forms to comply with this statute and thus, the statute is seldom utilized.

This bill creates a process that clearly provides for the transfer of a title of a salvage vehicle once an insurance payment is made for the vehicle. Under the bill, in order for an insurer to receive a salvage title from the DOT, the following criteria must be met:

1. The insurer must provide notice to the owner of the vehicle that he or she must transfer title of the vehicle to the insurer;
2. The owner of the salvage vehicle does not transfer title of the vehicle within 30 days of the payment (as required by current law); and
3. The insurer provides DOT the following documentation:
 - a. Evidence that a payment has been made for the salvage vehicle to the owner; and
 - b. Evidence the insurer has *twice* attempted to notify the owner of the vehicle to transfer title of the vehicle.

Clarifying this process in law provides protections for the insured, will incentivize the payment of claims for salvage vehicles prior to the transfer of title, and ensure the efficiency of salvage title transfers.

Thank you for the opportunity to submit testimony on this bill.

¹ See generally Wis. Stat. §342.065 (2017-18) (Title for salvage vehicle.); §340.01(55g) ("Salvage vehicle" means a vehicle less than 7 years old that is not precluded from subsequent registration and titling and that is damaged by collision or other occurrence to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70 percent of its fair market value. The term does not include a hail-damaged vehicle unless the vehicle is repaired with any replacement part, as defined in s. 632.38 (1) (e).).

Jeffrey Junkas
Assistant Vice President, State Government Relations

August 8, 2019

The Honorable Jerry Petrowksi
Chair, Senate Transportation, Veterans and Military Affairs Committee
Room 123 South
State Capitol
PO Box 7882
Madison, WI 53707

RE: Support with Modification – Senate Bill 320 – Motor Vehicle Certificates of Title

Dear Chair Petrowski:

The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions-protecting families, communities, and businesses in the U.S. and across the globe. We respectfully submit the following comments on Senate Bill 320.

Senate Bill 320 is a welcome improvement to the salvage vehicle process that we support. However, in an effort to further streamline the process and enhance marketplace efficiencies for consumers, insurers, salvage auctions and other stakeholders, APCIA respectfully requests adding clarifying language to the bill regarding the acceptability of electronic means to satisfy certain of its requirements.

Adding clarifying language that the notification required by the legislation may be provided to the recipient electronically is an acknowledgement of consumers' and business' expectations in today's economy. For example, consumers and businesses get information through any number of means, including text, email or push notification through an app. Additionally, it should be expressly stated that a total loss claim may be made via electronic funds transfer or other electronic means in order to head off problems we are seeing in this regard in other states.

We respectfully request the adoption of the bill with changes to allow e-transactions and urge you and your colleagues to vote "YES" on such a version of SB 320.

Thank you for the consideration of our perspective. Please contact me directly at 847-553-3678 or via email at jeffrey.junkas@apci.org or APCIA's Wisconsin counsel, Scott Stenger at 608-287-0403 or via email scott@stengergov.com, with any questions.

Sincerely,



Jeffrey Junkas