



Romaine Robert Quinn

STATE SENATOR • 25TH SENATE DISTRICT

From: Senator Romaine Robert Quinn
To: Senate Committee on Transportation and Local Government
Re: Testimony on Senate Bill 654
Relating to: modifying administrative rules of the Department of Transportation relating to applications for vehicle titles by nonresident insurance carriers
Date: February 6, 2024

Thank you members of the Senate Committee on Transportation and Local Government for allowing me to share testimony on Senate Bill 654. This bill looks to clarify statute to fall in line with the current insurance practices around the country.

Senate Bill 654 would allow insurance carriers that do not have a headquarters in Wisconsin to apply for a certificate of title, salvage title, or any other title issued by the Department of Transportation (DOT) for a vehicle, which qualify by the damage amount for these brands.

Currently, some insurance carriers do business virtually and have no physical address or headquarters in the state, so they are not able to apply for all types of title. The Department of Transportation's interpretation of statute therefore, prohibits these insurance carriers from applying for titles other than salvage vehicle certificates of title or having them as "junk" vehicles. Wisconsin does not issue titles with a brand of "junk", but if a vehicle does fall into this category, they cannot be operated on public roads. By only allowing these insurance companies to have these types of titles, the value of vehicles is being diminished.

Some examples of total loss claims that insurance companies currently have to claim as junk but structurally may not be are stolen vehicles found at a later time and those with hail damage which could be repaired.

This bill would not prevent an insurance company from having to go through the necessary steps with the Department of Transportation to acquire these other title brands, but just allows them the pathway to do it. Basically, this bill would allow insurance companies, no matter where they are located, to apply for a title that matches the condition and quality of a vehicle.

Thank you again for your consideration today.



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Testimony in Support of Senate Bill 654 *Senate Committee on Transportation and Local Government* February 6, 2024

Senator Tomczyk and members of the committee, thank you for holding a public hearing on Senate Bill (SB) 654. I appreciate the opportunity to provide testimony in support of this proposal.

SB 654 fixes a problem in state statute that is negatively impacting insurance companies that do not have a physical location in our state. Years ago, when the current law was written, this was not an issue. However, as technology has advanced and companies shifted to more virtual models, we are left with few major insurance companies holding physical office locations in Wisconsin.

Because of this, these insurance carriers are unable to apply for a certificate of title or salvage title on the vehicles that qualify for them. They instead must sell them as 'junk,' the strictest brand in the state. This leads to over-branding and an uneven playing field amongst the insurance companies.

Our bill simply amends state statute to allow all insurance carriers to apply for the fitting title, regardless of whether or not the carrier has a physical location in Wisconsin.

Thank you again for hearing SB 654. I look forward to seeing your support on this legislation.



Testimony for Senate Bill 654 – Support Copart

Mr. Chairman and members of the committee, thank you for the opportunity to speak in support of SB 654.

My name is Mark Binder and I am with Copart. Our company is a global leader in the auto auction industry and offers a range of services for processing vehicles and selling units over the internet through our online auction technology platform. Copart is proud to be part of the business community in Wisconsin and operates four facilities with approximately 60 employees with locations in Appleton, Madison and two in Milwaukee.

This bill is the kind you may like to see, it is simple and to the point. What it does is It expands the current eligibility of nonresident insurance companies that acquire ownership of a vehicle titled in Wisconsin through payment of a total loss claims to apply for any available Wisconsin title. The current law only applies the exemption to salvage titles.

Why is this bill needed? When the current statute was written, insurance carriers were mostly local and this limitation was not a concern. Over the last few decades, the industry has shifted to a more virtual model and local offices are no longer available with some carriers. Most major insurance companies now have no physical address in Wisconsin but still properly and effectively service their customers through the claim process. The current law requires vehicles acquired by these companies during a total loss settlement to all be sold on a branded title. Even when there are situations where they should not have been sold branded.

Consumers are negatively impacted by the overbranding of vehicles due to current law. This happens only because a local address is not available for an insurer and removes vehicles out of the marketplace that consumers need and want. It also reduces revenue to the state due to the inability of insurers to obtain certificate of titles which would be resolved by this bill.

Do other states have similar laws? To my knowledge, no other state requires this forced branding of insurance company vehicles without a local address. For full disclosure, Illinois did until last year when HB 3747 was enacted and accomplishes what we are trying to achieve in Wisconsin. Illinois had the same pain points with insurance carriers but we were able to get that resolved with legislation.

I encourage you to support this bill and ask that you vote in favor of its passage. Thank you for your time and I am available for any questions that you may have on this bill.



February 5, 2024

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On behalf of the National Auto Auction Association (“NAAA”), I write in support of Senate Bill 654.

Headquartered in suburban Washington D.C., NAAA is a trade association for wholesale motor vehicle auctions. It comprises more than 340 domestic and international wholesale motor vehicle auctions, with an additional 100 associate members, including nine member auctions located within the State of Wisconsin. NAAA’s mission is to protect and promote the interests of both its members and the wholesale auto auction industry. NAAA member auctions provide the marketplace for consignors to sell vehicles to licensed dealers, who, in turn, sell the vehicles to retail consumers. In 2022, NAAA member auctions facilitated the sale of 6.6 million vehicles.

Consumers in Wisconsin are burdened by the out-of-date statute, which was written when insurance carriers were mostly local. Now, major insurance companies now have no physical address in Wisconsin and effectively service their customers through the claim process. The current law requires vehicles acquired by these companies during a total loss settlement to all be sold on a branded title. This happens only because a local address is not available for an insurer, and it takes vehicles out of the marketplace that consumers need and want. It also reduces revenue for the state due to the inability of insurers to obtain certificates of title.

Senate Bill 654 would resolve these issues by expanding the current eligibility of nonresident insurance companies that acquire ownership of a vehicle titled in Wisconsin through payment of a total loss claims to apply for any available Wisconsin title.

Wisconsin is the only state in the country that requires such forced branding, an economic disadvantage. I urge you to remedy the current broken model by passing Senate Bill 654.

If you have any questions, please feel free to contact me.

Sincerely,

Paul Lips
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