

**STATEMENT AMERICAN PROPERTY CASUALTY INSURANCE ASSOCIATION
(APCIA)**

S.B. No. 982 – AN ACT REVISING MOTOR VEHICLE STATUTES

TRANSPORTATION COMMITTEE March 8, 2021

The American Property Casualty Insurance Association (APCIA)¹ appreciates the opportunity to comment on Senate Bill No. 982, An Act Revising Motor Vehicle Statutes. With members comprising nearly 60 percent of the U.S. property casualty insurance market, APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association.

APCIA supports the addition of language starting at line 569 on page 18 of SB 982 that would provide our members with the ability to obtain a salvage title to a vehicle if they are not otherwise able to obtain the title to the vehicle from the owner. A majority of states provide insurance companies with a similar mechanism and it works well. However, based on experience in those other states, we would strongly encourage amending the language to allow insurance companies to mail the required notices via other means and not just certified mail. Too often, the return receipt comes back very late or in some cases not at all. For this reason, APCIA would recommend allowing the use of any system that creates a record that confirms transmittal.

We also, in the strongest terms possible, support the language that appears beginning at line 638 on page 20. This language would eliminate the need for a policyholder or an insurance company or to notarize a power of attorney used to support an application for or transfer of a certificate of title would simplify and streamline a currently needlessly complicated process. In some claims involving a total loss payout (i.e., where a vehicle sustains so much damage the insurer in effect purchases the vehicle from the claimant), the claimant is unable to surrender the title to the vehicle, often because the title is lost. In those instances, in order for the insurer to be able to legally obtain and dispose of the vehicle, the insurer must obtain power of attorney from the claimant that allows them to obtain a new or salvage title for the vehicle.

The need to notarize power of attorney for this very limited purpose is simply not needed and overly burdensome. In today's day and age instant notifications and payments, the notarization process, including obtaining the signature of two witnesses, is an anachronism. It needlessly slows the processing of total loss payouts to the claimant while simultaneously incurring additional and

¹ Effective January 1, 2019, the American Insurance Association (AIA) and the Property Casualty Insurers Association of America (PCIAA) merged to form the American Property Casualty Insurance Association (APCIA). Representing nearly 60 percent of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

unnecessary expense associated with storing a vehicle such as, for example, storage fees, while the insurance company waits on the paperwork. These costs, of course, are passed on to policyholders in the form of higher premium. By adopting this change, those costs will be, if not eliminated, substantially reduced.

For the foregoing reasons, APCIA urges your Committee to amend the bill in accordance with our suggestions and advance this bill.