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Testimony Before the Assembly Committee

on Insurance

October 1, 2019

Mr. Chairman and members of the Committee, thank you for holding a hearing on Assembly Bill 340, relating to: evidence of ownership for purposes of obtaining certain motor vehicle certifications of title.

Under current law, there are a few ways to address salvage vehicle titles.¹ This bill addresses the circumstance when an insurer may receive a “salvage title” to the vehicle from the DOT after an insurance payment is made for a salvage vehicle, but the vehicle’s title is **not** transferred to the insurer. Frequently, policyholders do not transfer the title to the insurance company in a timely manner, or sometimes not at all. 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 before title transfers, and will ensure the efficiency of salvage title transfers.

Assembly Amendment 1 clarifies the bill in three ways:

1. Explicitly permits electronic proof of payment and communication to contact the owner of the vehicle;
2. Makes clear this process applies to Wisconsin titles only; and
3. Creates a delayed effective date.

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).).