

Date of Hearing: April 18, 2022

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

AB 2330 (Bigelow) – As Amended March 16, 2022

**SUBJECT:** Total loss salvage and nonrepairable vehicles

**SUMMARY:** Modifies existing requirements for an insurance company, or a salvage pool authorized by an insurance company, to receive a salvage certificate or nonrepairable vehicle certificate. Specifically, **this bill:**

- 1) Authorizes an insurance company, or a salvage pool authorized by an insurance company, to request a salvage certificate or nonrepairable vehicle certificate from the Department of Motor Vehicles (DMV) without a properly endorsed certificate of ownership within 15 days after the insurance company makes a total loss settlement on a total loss salvage vehicle, so long as they attest to DMV that they made a single attempt to receive a certificate of ownership from the previous owner of the vehicle.
- 2) Authorizes a single attempt to obtain a certificate of ownership and authorizes that attempt to include first-class mail, certificate of mailing, certified mail, other commercially available delivery service showing proof of delivery, or electronic mail (email).

**EXISTING LAW:**

- 1) Requires an insurance company, or authorized agents, after a total loss settlement has been made on a salvage vehicle or a nonrepairable vehicle to forward to DMV the properly endorsed certificate of ownership or other ownership acceptable to DMV, the license plates, and a fee of \$15, to DMV. An occupational licensee of DMV may submit a certificate of license plate destruction in lieu of the actual license plates.
- 2) Authorizes an insurance company, or a salvage pool authorized by an insurance company, to request a salvage certificate or nonrepairable vehicle certificate from the DMV without a properly endorsed certificate of ownership within 30 days after the insurance company makes a total loss settlement on a total loss salvage vehicle, so long as they attest to DMV that they made two written attempts to receive a certificate of ownership from the previous owner of the vehicle.
- 3) Defines a "total loss salvage vehicle" as a "vehicle, other than a non-repairable vehicle, of a type subject to registration that has been wrecked, destroyed, or damaged, to such an extent that the owner, leasing company, financial institution, or the insurance company that insured the vehicle, considers it uneconomical to repair the vehicle and because of this, the vehicle is not repaired by or for the person who owned the vehicle at the time of the event resulting in damage."

- 4) Defines a “nonrepairable vehicle” as a vehicle that either has no resale value except as a source of parts or scrap metal, and which the owner irreversibly designates solely as a source of parts or scrap metal; a completely stripped vehicle recovered from theft, missing all of the bolts on sheet metal body panels, all of the doors and hatches, substantially all of the interior components, and substantially all of the grill and light assemblies, or that the owner designates has little or no resale value other than its worth as a source of scrap metal; or a completely burned vehicle that has been burned to the extent that there are no more useable or repairable body or interior components, tires and wheels, or drive train components, and which the owner irreversibly designates as having little or no resale value other than its worth as scrap metal.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

After an insurance company, an occupational licensee DMV authorized by the insurance company, or a salvage pool authorized by the insurance company, takes possession of a salvage vehicle or a nonrepairable vehicle in a total loss settlement, they are required to transmit the information over to DMV with a certificate of ownership in order to receive a salvage certificate or nonrepairable vehicle certificate.

The previous owner of the vehicle has no incentive to provide the certificate of ownership to the insurance company, as the settlement on the loss of the vehicle has already occurred, the previous owner no longer possesses the vehicle, and the previous owner would be required to spend \$23 and their time to get the title transfer.

According to the author, “AB 2330 is an important bill to help streamline the process for insurance companies and their representatives to obtain vehicle titles from the Department of Motor Vehicles (DMV). Prior to 2006, California lacked a process to obtain a vehicle title if that vehicle was involved in an accident and the prior vehicle owner did not submit title/ownership information to their insurance company. Most insurance policyholders submit their vehicle title/ownership information to their insurance company, but a small percentage do not for various reasons. AB 1122 by then-Assemblyman Wyland created a process at DMV if the insurance company had already settled the insurance claim with the policyholder, waits 30 days, and makes two additional written attempts to try to obtain the title/ownership information from the policyholder.

In the 14 years since AB 1122 was enacted, hundreds of thousands of written attempts have been sent to policyholders and very few, if any, has resulted in policyholders returning vehicle title information. This bill seeks to further streamline this process by allowing requests within 15 days after the insurance claim has been settled and removes the requirement for two additional written attempts. AB 2330 will benefit both the DMV and insurance companies in terms of time and efficiency.”

The Legislature passed AB 1122 (Wyland), Chapter 412, Statutes of 2006 to authorize an insurance agency to receive a salvage certificate without proof of certificate of ownership so long as they attested to DMV under penalty of perjury that they made at least two written attempts to the original owner for the certificate of ownership. Copart, the sponsor of this bill, has reported

that they have sent out over 672,000 requests for the certificate of ownership since 2008 and have never once received a response from the owner. Without the salvage certificate or nonrepairable vehicle certificate, Copart and others are forced to store these inoperable vehicles, which have been subject to crime issues, in the lot waiting for the replacement title.

CoPart, writing in support of this bill, argues “In 2006, the Legislature enacted AB 1122 (Wyland) to create a process at DMV to issue a branded vehicle title if certain requirements are met by a requesting insurance company or their authorized agent. Specifically, this law requires the insurance company to settle the claim, wait 30 days after agreement on the settlement, and that two additional attempts are made to try and obtain the vehicle’s title or ownership information from the prior vehicle owner. If these three criteria are not met, then DMV will not issue the branded title. As an insurance company’s agent, Copart has obtained over 300,000 branded vehicle titles using this AB 1122 process. As required by AB 1122, Copart has sent two letters to each vehicle owner requesting their vehicle’s title or ownership information. Despite sending out approximately 670,000 letters to prior vehicle owners, Copart has never once received a vehicle title or ownership information from the prior owner.

AB 2330 is designed to help streamline AB 1122’s process and provide greater efficiencies for insurance companies, their authorized agents, and DMV. “

*Previous Legislation:*

AB 2273 (Fuentes), Chapter 97, Statutes of 2008 authorized an insurance agency to receive a nonrepairable vehicle certificate without proof of certificate of ownership so long as they attested to DMV under penalty of perjury that they made at least two written attempts to the original owner for the certificate of ownership.

AB 1122 (Wyland), Chapter 412, Statutes of 2006 authorized an insurance agency to receive a salvage certificate without proof of certificate of ownership so long as they attested to DMV under penalty of perjury that they made at least two written attempts to the original owner for the certificate of ownership.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

American Property Casualty Insurance Association  
Copart INC.  
CSAA Insurance Exchange and Affiliates

**Opposition**

None on file

**Analysis Prepared by:** David Sforza / TRANS. / (916) 319-2093