

September 6, 2011

Registration and Title Bulletin # 048-11 General Information

TO: All County Tax Assessor-Collectors

SUBJECT: Insurance Company and Salvage Pool Operator Title Applications

PURPOSE

To inform you of HB 1422, which creates a statutory change that allows an insurance company or salvage pool operator to apply for a title on certain vehicles. In addition, Owner Retained requirements were amended.

DETAILS

Effective September 1, 2011, the Texas Transportation Code is amended by adding new Sections 501.0925 and 501.0935 to change the requirements for insurance companies and salvage pool operators to file title applications on vehicles that were the subject of an insurance claim.

Section 501.0925 allows an insurance company in possession of a paid claim vehicle to obtain a regular, nonrepairable or salvage vehicle title, if the insurance company is unsuccessful in securing the original title from the owner(s) of record. A title issued under this section must be in the name of the insurance company.

- Applications for a regular title must include the new secure Form VTR-331-A, *Insurance Company Statement of Facts* (sample pdf draft attached). The form will be a secure document that we are currently working with a vendor on, a copy of the final document will be provided to you when complete. The new form VTR-331-A along with Form 130-U, supporting documentation, and applicable fee will be submitted to the county tax office.
- Applications for nonrepairable or salvage titles must include the new Form VTR-331, *Insurance Company or Salvage Pool Operator Statement of Facts* (attached), along with form VTR-441, *Application for Salvage Vehicle Title or Nonrepairable Vehicle Title*, supporting documentation, and the \$8 fee. If the vehicle was last titled out of state, a form VTR-221, *Statement of Fact for Out-of-State Evidence*, must also be submitted, as well as valid vehicle title and registration verification from the other state's motor vehicle authority. The insurance company must provide proof of the paid claim, and surrender any unassigned or improperly assigned title in their possession.

In addition, Section 501.0935 allows salvage pool operators in possession of an insurance claim vehicle to apply for a nonrepairable or salvage vehicle title if the insurance company has denied the claim or does not remove the vehicle from the salvage pool facility. The salvage pool operator must notify the owner(s) and any lienholder of record that they have 30 days to pick up

the vehicle or it will be sold. If the owner or lienholder claims the vehicle, the salvage pool operator may not charge storage, impoundment, towing or any fee reimbursed by a third party. If the owner does not remove the vehicle, the salvage pool operator may apply for a salvage or nonrepairable vehicle title. A title issued under this section must be in the name of the salvage pool operator.

- Applications for nonrepairable or salvage titles must include new form VTR-331 *Insurance Company or Salvage Pool Operator Statement of Facts* (attached), along with form VTR-441, *Application for Salvage Vehicle Title or Nonrepairable Vehicle Title*, supporting documentation and the \$8 fee. Salvage Pool Operators must provide copies of insurance company notifications to obtain the vehicle and its subsequent denied claim status (this may be one combined notice); and valid proof of recorded owner(s) and lienholder (if applicable) notification by registered or certified mail.

Also effective September 1, 2011, Texas Transportation Code 501.097 is amended requiring insurance companies to provide notice of the Owner Retained report and the requirements for operation or transfer of ownership of an Owner Retained vehicle.

COUNTY ACTION

When processing an original title application due to an insurance claim, please verify that the insurance company submits the appropriate title paperwork (Form130-U, secure form VTR-331-A, and any other supporting documents).

The new secure Form VTR-331-A must be completed correctly and include:

- the date the claim was paid,
- evidence of payment made to owner, and
- any other title document that was surrendered to the insurance company, whether or not it was properly assigned.

NOTE: The insurance company does not have to provide proof of notification to the owner(s) or lienholders, but must sign a statement on VTR-331-A which certifies that two separate written notices were sent to the owner(s) of record.

CONTACT

If you have any questions, please contact your local TxDMV Regional Service Center.

Sincerely,



Randy Elliston, Director
Vehicle Titles and Registration Division

Attachments