



April 5, 2021

RE: Support for Senate Bill 6188

Dear Chairman Solomon, First Vice-Chair O'Brien, Second Vice-Chair Caldwell and members of the House Corporations Committee:

IAA is a salvage auction whose primary business is handling the sale of total loss vehicles for the insurance industry. IAA has 175 auction sites throughout North America, one of which is in the state of Rhode Island. When a vehicle is damaged in an accident, the vehicle is transported from the scene of the accident to a towing/storage or repair facility. The owner of the vehicle files a claim with his insurance company. The insurance company sends an adjuster to the towing/storage or repair facility to assess the damage to the vehicle. If the adjuster determines the vehicle to be a total loss, the insurance company sends IAA an assignment to pick up the vehicle and deliver it to one of IAA's facilities. IAA sends a tow, who is a contractor, to pick up the vehicle and transport it to IAA's facility. The vehicle is typically delivered to IAA prior to the claim settlement. We would like to thank the sponsor Camille Vella-Wilkinson for sponsoring this important piece of legislation.

If the insurer settles the claim and acquires ownership of the vehicle, IAA assists the insurance company with applying for and obtaining a salvage title in the insurance company's name. The original certificate of title needs to be surrendered with the application for a salvage title. Occasionally, an insurance company is unable to obtain the title from the owner or lienholder after the insurer has paid the claim. Although the vast majority of claims transactions are handled smoothly, the sheer volume of claims means that there are problem cars each year in Rhode Island.

This bill sets forth a process whereby, in this case, the insurer may obtain a salvage certificate for the vehicle without surrendering the certificate of title. The insurer will send an application for a salvage certificate to the DMV with the applicable fee. In such application, the insurance company or its agent shall declare, under penalty of perjury, that the insurance company has paid a total loss claim on the vehicle and has made at least 2 written attempts, addressed to the last known owner of the vehicle and any known lienholder, to obtain the certificate of title.

The above process will help insurers expedite the receipt of an ownership document in their name and implement the salvage laws in a timely manner.

Sometimes vehicles that have been brought to IAA's facilities at the direction of an insurance company after a claim has been filed by the owner get abandoned on IAA's property by the owner. For example, this sometimes happens when the insurance company denies coverage. For many of these vehicles, under current law, IAA has no way of disposing of the vehicles and IAA's attempts to get the police to remove the vehicles have been unsuccessful. Vehicles sit at IAA's yard without a way of disposing of them.



To address the above issue, the bill sets forth a process for a dealer whose primary business is the sale of salvage vehicles for insurance companies to dispose of an abandoned vehicle on its property if the owner or lienholder does not remove the vehicle from the dealer's facility after due notice has been sent.

For the above reasons, IAA supports H 6188 and asks that you pass the bill.

Thank you,

/s/ Katerina Dotzeva

IAA, Inc. – Katerina Dotzeva, Director of Government Affairs

cc House Committee on Corporations