

By: Senator(s) McLendon, Michel

To: Insurance

SENATE BILL NO. 2301

1 AN ACT TO AMEND SECTION 83-11-551, MISSISSIPPI CODE OF 1972,
2 TO REMOVE THE REPEALER ON THE PROVISION REQUIRING AN INSURER
3 PAYING AN AUTOMOBILE INSURANCE CLAIM TO ADD THE BUSINESS REPAIRING
4 THE AUTOMOBILE OR THE LIENHOLDER AS A PAYEE ON THE CHECK; AND FOR
5 RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** Section 83-11-551, Mississippi Code of 1972, is
8 amended as follows:

9 83-11-551. (1) In cases in which there is not a total loss,
10 when there are one or more lienholders shown in the policy or
11 confirmed in writing by the insured before the loss, an insurer
12 paying a claim under automobile physical damage coverage or
13 automobile collision coverage, as such terms are defined in
14 Section 83-11-1, shall add as a payee on the check, in addition to
15 the name of the insured, the name of the business or other entity
16 repairing the automobile or the name of the lienholder or
17 lienholders.

18 (2) In cases of a total loss, when there are one or more
19 lienholders (a) shown in the policy, (b) confirmed in writing by



20 the insured before the loss, or (c) shown on the vehicle title
21 recorded with the Mississippi Department of Revenue, an insurer
22 paying a claim under automobile physical damage coverage or
23 automobile collision coverage, as such terms are defined in
24 Section 83-11-1, shall add as a payee on the check, in addition to
25 the name of the insured, the name of the lienholder or
26 lienholders.

27 (3) If the insured disputes the existence of any lien, it is
28 the insured's responsibility to have the liens released. When
29 payment is made to a lienholder, the lienholder shall pay any
30 balance owed to the debtor within thirty (30) days after receipt
31 of the check. However, in the case of a total loss, the insurer
32 may issue separate checks to the lienholder and to the insured for
33 the amount of each party's financial interest in the vehicle.
34 This section shall not apply to the repair or replacement of glass
35 in the vehicle.

36 (4) If an insurance company makes a total loss settlement on
37 a motor vehicle, the owner or lienholder of the motor vehicle
38 shall forward the properly endorsed certificate of title to the
39 insurance company within fifteen (15) days after receipt of the
40 settlement funds.

41 (5) (a) If an insurance company is unable to obtain the
42 properly endorsed certificate of title within thirty (30) days
43 after disbursing a total loss settlement payment for a motor
44 vehicle that does not have a lien or encumbrance, the insurance



45 company or its agent may request the Department of Revenue to
46 issue a salvage certificate of title or a parts-only certificate
47 of title for the vehicle.

48 (b) The request under paragraph (a) of this subsection
49 shall:

50 (i) Be submitted on each form required by and
51 provided by the Department of Revenue;

52 (ii) Document that the insurance company has made
53 at least two (2) written attempts to obtain the certificate of
54 title and include the documentation with the request;

55 (iii) Include any fees applicable to the issuance
56 of a salvage certificate of title or a parts-only certificate of
57 title; and

58 (iv) Be signed under penalty of perjury.

59 (6) (a) If an insurance company is unable to obtain the
60 properly endorsed certificate of title within thirty (30) days
61 after disbursing a total loss settlement payment for a motor
62 vehicle that has a lien or encumbrance, the insurance company or
63 its agent shall submit documentation to the Department of Revenue
64 from the claims file that establishes the lienholder's interest
65 was protected in the total loss indemnity payment for the claim.

66 (b) The documentation under paragraph (a) of this
67 subsection shall be:



68 (i) Submitted with a request for a salvage
69 certificate of title or a parts-only certificate of title for the
70 vehicle; and

71 (ii) The requirements under subsection (5)(b) of
72 this section.

73 (7) Upon receipt of a properly endorsed certificate of title
74 or a properly executed request under subsection (5) of this
75 section, the Department of Revenue shall issue a salvage
76 certificate of title or a parts-only certificate of title for the
77 vehicle in the name of the insurance company.

78 (8) The Department of Revenue may promulgate rules,
79 regulations and forms for the administration of subsections (4)
80 through (6) of this section.

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82 **SECTION 2.** This act shall take effect and be in force from
83 and after July 1, 2020.

