

By: Senator(s) Michel

To: Insurance

SENATE BILL NO. 2603

1 AN ACT TO AMEND SECTION 83-11-551, MISSISSIPPI CODE OF 1972,
 2 TO AUTHORIZE AN INSURER TO DIRECT AN AUCTION FIRM OR AUTOMOTIVE
 3 DISMANTLER TO RELEASE A VEHICLE TO THE VEHICLE'S OWNER OR
 4 LIENHOLDER WHEN THE INSURER DOES NOT TAKE OWNERSHIP OF THE
 5 VEHICLE; TO REQUIRE NOTICE TO THE OWNER AND LIENHOLDER THAT THE
 6 VEHICLE IS AVAILABLE FOR PICK UP; TO PROVIDE FOR A LIEN-FREE
 7 SALVAGE CERTIFICATE OF TITLE OR A PARTS-ONLY CERTIFICATE OF TITLE
 8 TO AN AUCTION FIRM OR AUTOMOTIVE DISMANTLER IF THE OWNER OR
 9 LIENHOLDER DOES NOT PICK UP THE VEHICLE WITHIN A CERTAIN NUMBER OF
 10 DAYS; AND FOR RELATED PURPOSES.

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

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

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



23 (2) In cases of a total loss, when there are one or more
24 lienholders (a) shown in the policy, (b) confirmed in writing by
25 the insured before the loss, or (c) shown on the vehicle title
26 recorded with the Mississippi Department of Revenue, an insurer
27 paying a claim under automobile physical damage coverage or
28 automobile collision coverage, as such terms are defined in
29 Section 83-11-1, shall add as a payee on the check, in addition to
30 the name of the insured, the name of the lienholder or
31 lienholders.

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

41 (4) If an insurance company makes a total loss settlement on
42 a motor vehicle, the owner or lienholder of the motor vehicle
43 shall forward the properly endorsed certificate of title to the
44 insurance company within fifteen (15) days after receipt of the
45 settlement funds.

46 (5) (a) If an insurance company is unable to obtain the
47 properly endorsed certificate of title within * * * fifteen (15)



48 days after disbursing a total loss settlement payment for a motor
49 vehicle that does not have a lien or encumbrance, the insurance
50 company or its agent may request the Department of Revenue to
51 issue a salvage certificate of title or a parts-only certificate
52 of title for the vehicle.

53 (b) The request under paragraph (a) of this subsection
54 shall:

55 (i) Be submitted on each form required by and
56 provided by the Department of Revenue which may be completed by
57 the insurance company or its agent;

58 (ii) * * * Attest on the form required in
59 subparagraph (i) that the insurance company or its agent has made
60 at least two (2) * * * attempts to obtain the certificate of
61 title * * *;

62 (iii) Include any fees applicable to the issuance
63 of a salvage certificate of title or a parts-only certificate of
64 title; and

65 (iv) Be signed under penalty of perjury.

66 (c) Notice under paragraph (b) of this subsection shall
67 be provided concurrently with the payment of the claim or by
68 either first-class mail to the last-known address or other
69 commercially available delivery service or electronic means,
70 including electronic mail or posting on an electronic network or
71 site that is accessible to the vehicle owner via the internet by



72 using a mobile application, computer, mobile device, tablet or any
73 other electronic device.

74 (6) (a) If an insurance company or its agent is unable to
75 obtain the properly endorsed certificate of title within * * *
76 fifteen (15) days after disbursing a total loss settlement payment
77 for a motor vehicle that has a lien or encumbrance, the insurance
78 company or its agent shall * * * attest to the Department of
79 Revenue * * * that * * * the lienholder's interest was protected
80 in the total loss indemnity payment for the claim.

81 (b) The documentation under paragraph (a) of this
82 subsection shall be:

83 (i) Submitted with a request for a salvage
84 certificate of title or a parts-only certificate of title for the
85 vehicle; and

86 (ii) The requirements under subsection (5)(b) of
87 this section.

88 (7) Upon receipt of a properly endorsed certificate of title
89 or a properly executed request under subsection (5) of this
90 section, the Department of Revenue shall issue a salvage
91 certificate of title or a parts-only certificate of title for the
92 vehicle in the name of the insurance company.

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



96 (9) (a) If an insurer requests an auction firm, the primary
97 business of which is the sale of salvage vehicles on behalf of
98 insurers, or an automotive dismantler as defined in Section
99 27-19-303(h), to take possession of a vehicle that is the subject
100 of an insurance claim and subsequently the insurer does not take
101 ownership of the vehicle, the insurer may direct the auction firm
102 or the automotive dismantler to release the vehicle to the owner
103 or lienholder. The insurer shall provide the auction firm or the
104 automotive dismantler a release statement authorizing the auction
105 firm or the automotive dismantler to release the vehicle to the
106 vehicle's owner or lienholder.

107 (b) Upon receiving a release statement from an insurer,
108 the auction firm or the automotive dismantler shall send notice to
109 the owner and any lienholder of the vehicle informing the owner or
110 lienholder that the vehicle is available for pick up. The notice
111 shall include an invoice for any outstanding charges owed to the
112 auction firm or the automotive dismantler. The notice shall
113 inform the owner and any lienholder that the owner or lienholder
114 has thirty (30) days from the date of the notice, and upon payment
115 of applicable charges owed to the auction firm or the automotive
116 dismantler, to pick up the vehicle from the auction firm or the
117 automotive dismantler. Notice under this subsection must be sent
118 by certified mail to the last-known address or by another
119 commercially available delivery service providing proof of
120 delivery to the address on record with the department.



121 (c) If the owner or any lienholder of the vehicle does
122 not pick up the vehicle within thirty (30) days after notice was
123 sent to the owner and any lienholder in accordance with this
124 subsection, the vehicle shall be considered abandoned, the
125 vehicle's certificate of title is deemed to be assigned to the
126 auction firm or the automotive dismantler, and the auction firm or
127 the automotive dismantler, without surrendering the certificate of
128 title, may request on a form provided by the department that the
129 department shall issue a lien-free salvage certificate of title or
130 a parts-only certificate of title for the vehicle. The request
131 shall be accompanied by a copy of the notice required by this
132 subsection and proof of delivery of the notice required by this
133 subsection sent to the owner and any lienholder. Notwithstanding
134 any outstanding liens against the vehicle, the department shall
135 issue a lien-free salvage certificate of title or a parts-only
136 certificate of title for the vehicle to the auction firm in
137 possession of the vehicle.

138 **SECTION 2.** This act shall take effect and be in force from
139 and after July 1, 2021.

