

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: H2/21/11 H2/28/11

A Bill

HOUSE BILL 1371

5 By: Representatives Kerr, *Hall, Summers, Sanders, Dale, Hopper, Hobbs, Westerman, English,*
6 *Hickerson, Perry*

7 By: Senators *J. Hutchinson, Rapert*
8

For An Act To Be Entitled

9
10 AN ACT TO CREATE AN ALTERNATIVE PROCEDURE TO OBTAIN
11 TITLE OF A MOTOR VEHICLE WHERE THERE IS A TOTAL LOSS
12 SETTLEMENT; AND FOR OTHER PURPOSES.
13
14

Subtitle

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16 ACT TO CREATE AN ALTERNATIVE PROCEDURE TO
17 OBTAIN TITLE OF A MOTOR VEHICLE WHERE
18 THERE IS A TOTAL LOSS SETTLEMENT.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code Title 27, Chapter 14, Subchapter 23 is
24 amended to add an additional section to read as follows:

25 27-14-2308. Alternative procedure to obtain title for a total loss
26 settlement.

27 (a) If an insurance company makes a total loss settlement on a motor
28 vehicle, the owner or lienholder of the motor vehicle shall forward the
29 properly endorsed certificate of title to the insurance company within
30 fifteen (15) days after receipt of the settlement funds.

31 (b)(1) If an insurance company is unable to obtain the properly
32 endorsed certificate of title within thirty (30) days after disbursing a
33 total loss settlement payment for a motor vehicle that does not have a lien
34 or encumbrance, the insurance company or its agent may request the Office of
35 Motor Vehicle of the Revenue Division of the Department of Finance and
36 Administration to issue a salvage certificate of title or a parts-only



1 certificate of title for the vehicle.

2 (2) The request shall:

3 (A) Be submitted on each form required by and provided by
4 the Office of Motor Vehicle;

5 (B) Document that the insurance company has made at least
6 two (2) written attempts to obtain the certificate of title and include the
7 documentation with the request;

8 (C) Include any fees applicable to the issuance of a
9 salvage certificate of title or a parts-only certificate of title; and

10 (D) Be signed under penalty of perjury.

11 (c)(1) If an insurance company is unable to obtain the properly
12 endorsed certificate of title within thirty (30) days after disbursing a
13 total loss settlement payment for a motor vehicle that has a lien or
14 encumbrance, the insurance company or its agent shall submit documentation to
15 the Office of Motor Vehicle from the claims file that establishes the
16 lienholder's interest was protected in the total loss indemnity payment for
17 the claim.

18 (2) The documentation under subdivision (c)(1) shall be:

19 (A) Submitted with a request for a salvage certificate of
20 title or a parts-only certificate of title for the vehicle; and

21 (B) In addition to the requirements under subdivision
22 (b)(2) of this section.

23 (d) Upon receipt of a properly endorsed certificate of title or a
24 properly executed request under subsection (b) of this section, the Office of
25 Motor Vehicle shall issue a salvage certificate of title or a parts-only
26 certificate of title for the vehicle in the name of the insurance company.

27 (e) The Office of Motor Vehicle may promulgate rules and forms for the
28 administration of this section.

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30 /s/Kerr

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33 APPROVED: 03/15/2011