

Please VOTE NO on SB 1008, Salvage Certificates of Title - it will needlessly delay the settlement of insurance claims, which will inconvenience consumers

Summary of bill:

SB 1008 amends existing law relating to motor vehicle salvage certificates of title requiring insurers and salvage pools, who currently issue their own certificates of title, to submit an application to the Department of Transportation for salvage certificates of titles. The bill also establishes a number of specific administrative requirements for insurers pertaining to salvage certificates of title.

Reasons to VOTE NO on SB 1008:

- **The proposed legislation is unnecessary, because the current process for issuing salvage certificates of title is working to the benefit of insurance consumers** – There is no evidence to support the contention that the current process for issuing salvage certificates of title is not working well or is being abused. Moreover, if there is a desire for more regulatory agency involvement in the issuance of salvage certificates of title, there are a number of administrative approaches that could be considered that wouldn't create new administrative burdens for insurers and consumers. SB 1008 is likely to create a needless delay in the settling of insurance claims and the selling of salvaged total loss vehicles necessary to legally mitigate damages.

Example of one possible regulatory tracking solution that would not require a radical change to current law: The state could issue sequentially numbered blank salvage certificates of title forms to insurers and salvage pools so that the issued certificates of title could be easily tracked by the state and any problems with how a particular issuer is processing the certificates could be specifically addressed by the state with that company.

- **SB 1008 will delay the settlement of insurance claims, which will adversely impact insurance consumers, especially those individuals who need timely access to the salvage title vehicle** – The proposed legislation requires that insurers and salvage pools, after the insurance claim has been settled, forward vehicle title documents to the state for them to review and issue a salvage certificate of title. The time necessary to exchange paperwork between the insurer and the state, and then the administrative processing time of the state agency will create (according to NAMIC members) about 7 to 10 days of administrative delay in the issuance of the certificates of title to the consumer. Consumers don't deserve nor benefit from unnecessary delays in getting their vehicle lawfully back on the road. One need only consider the impact on a consumer's life of having to wait 7-10 additional days to get their salvage certificate of title to the family's only mode of transportation to realize that this bill is bad for the consumer.

- **The proposed legislation is inconsistent with the national trend toward regulatory streamlining and administrative efficiency** – SB 1008 would require state agency employees to have to do what insurance company representatives and salvage pool professionals are currently doing (processing the certificates of title) at no administrative expense to the state. Therefore, the proposed regulation begs the question, "Why have the state use public resources on an activity that is already being handled effectively by private entities?"

The "administrative paper-shuffle" that will result from SB 1008 is just an example of unnecessary and costly government regulation that will create new burdens without any corresponding benefits to the insurance consumers, which make the bill *anti-consumer*.

Please VOTE NO on SB 1008, because it is a regulatory solution in search of a problem.

Prepared by: Christian J. Rataj of the National Association of Mutual Insurance Companies (NAMIC) as written testimony for committee hearing. NAMIC is the largest and most diverse property/casualty trade association in the country, with 1,400 regional and local mutual insurance member companies serving more than 135 million auto, home, and business policyholders and writing in excess of \$196 billion in annual premiums that account for 50 percent of the automobile/ homeowners market and 31 percent of the business insurance market. More than 200,000 people are employed by NAMIC member companies. NAMIC has 134 members who write P. & C. Insurance in the State of Idaho, which represents 40% of the marketplace.