

§ 20-109.1A. Application for unregistrable certificate of title.

(a) If an insurance company is unable to obtain the properly endorsed title, certificate of ownership, or other evidence of ownership to a vehicle registered in another state, the company, or its agent or contractor, may apply to the Division for an unregistrable certificate of title in the name of the insurance company if all of the following conditions are met:

- (1) The vehicle has been declared a total loss.
- (2) The occurrence that damaged the vehicle occurred within the boundaries of this State.
- (3) The vehicle has remained within this State continuously since the occurrence of the loss.
- (4) The owner of the vehicle has accepted an offer of an amount in settlement of the total loss from the insurance company.
- (5) The insurance company, or its agent or contractor, has made a written request for the title from the vehicle owner and any lienholders of record at the addresses contained in the records of the state of registration. The written request must be delivered by certified United States Postal Service mail or by another commercially available delivery service providing proof of delivery.
- (6) The owner and lienholder have failed to deliver the title for more than 30 days from the receipt of the written request, or the written request has been returned as undeliverable.

(b) An application for an unregistrable certificate of title under this section shall be made on a form provided by the Division, and the Division may require a notarized affidavit attesting under penalty of perjury that the conditions of subsection (a) of this section have been met. The form shall be accompanied by (i) evidence of a total loss payment in the form of either a copy of a claims check or a screenshot from the insurance company's claim system showing a payment was made and (ii) evidence of delivery of notice to the vehicle owner. Any company, agent, or contractor that has applied for an unregistrable certificate of title under this section shall maintain a record of any supporting documentation for a period of three years. The fee for an unregistrable certificate of title pursuant to this section shall be twenty-one dollars and fifty cents (\$21.50).

(c) If an out-of-state registered vehicle has been damaged in this State and an insurance company, its agent, or its contractor takes possession of the vehicle with the permission of the owner, the company's agent or contractor taking possession of the vehicle shall have a towing and storage lien on the vehicle for any amount actually accrued in the possession, towing, and storage of the vehicle. This lien is superior to any other liens on the vehicle. If the insurance company subsequently denies coverage or otherwise fails to reach a settlement with the owner, the company, or its agent or contractor may make written demand that the owner or lienholder retake possession of the vehicle upon payment of any towing or storage fees accrued by the agent or contractor. If the owner or lienholder fails to satisfy the lien and take possession of the vehicle within 14 calendar days of the written demand, the agent or contractor may apply for an unregistrable certificate of title in the name of the agent or contractor for purposes of selling the vehicle to recoup any towing or storage fees accrued by the agent or contractor. The application shall be on a notarized form provided by the Division attesting by the applicant that the requirements of this section have been completed. Included with this form shall be evidence of delivery of notice to the vehicle owner. The written demand required by this subsection must be delivered by United States Postal Service mail or by another commercially available delivery service providing proof of delivery.

(d) Any vehicle that has been issued an unregistrable certificate of title under this section may only be sold for parts, scrap, or recycling.

(e) Any owner, lienholder, or subsequent purchaser harmed as a result of an unregistrable certificate of title being issued pursuant to this section, or harmed by the sale of any such vehicle following issuance of the same, shall have no cause of action against the Division, and the Division shall not be liable to any such persons in any matter related to actions taken under this section. (2021-126, s. 2.)