

Effective 10/1/2019

41-1a-1005 Salvage vehicle -- Declaration by insurance company -- Surrender of title -- Salvage certificate of title -- Nonrecovered vehicles.

- (1)
 - (a)
 - (i) Except as provided in Subsection (1)(a)(iii) or (iv), if an insurance company declares a vehicle a salvage vehicle and takes possession of the vehicle for disposal, the insurance company shall within 10 days after the day on which settlement of the loss occurs, surrender to the division the outstanding certificate of title, properly endorsed, or other evidence of ownership acceptable to the division.
 - (ii) After receiving the documents described in Subsection (1)(a)(i), the division shall issue a salvage certificate in the insurance company's name.
 - (iii) The division shall issue a salvage certificate in an insurance company's name no sooner than 30 days after the day on which the settlement of the loss occurs if the insurance company:
 - (A) declares a vehicle a salvage vehicle;
 - (B) issues settlement payment to the registered owner of the vehicle;
 - (C) has contacted the owner of the vehicle at least two times requesting certificate of title or other evidence of ownership acceptable to the division and the owner has not responded to the requests; and
 - (D) has presented the division evidence of the settlement and evidence that the insurance company has complied with the requirements of this Subsection (1)(a)(iii) on a form prescribed by the division.
 - (iv) The division shall issue a salvage certificate in an insurance company's name no sooner than 30 days after the day on which the division receives an improperly endorsed certificate of title if the insurance company:
 - (A) declares a vehicle a salvage vehicle;
 - (B) has contacted the owner of the vehicle at least two times requesting correction of the improperly endorsed certificate of title and the owner of the vehicle has not responded to the requests; and
 - (C) has presented the division evidence of the settlement, the improperly endorsed certificate of title, and evidence that the insurance company has complied with the requirements of this Subsection (1)(a)(iv) on a form prescribed by the division.
 - (v) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division shall make rules establishing the requirements for an insurance company to prove that the insurance company has complied with the requirements of Subsection (1)(a)(iii) or (iv) to receive a salvage certificate.
 - (b)
 - (i) If the owner of a salvage vehicle retains possession of the vehicle, the insurance company shall within 10 days after the day on which settlement of the loss occurs notify the division of the retention on a form prescribed by the division.
 - (ii) The insurance company shall notify the owner of the vehicle of the owner's responsibility to comply with this section.
 - (iii) The owner shall within 10 days after the day on which settlement of the loss occurs surrender to the division the properly endorsed certificate of title or other evidence of ownership acceptable to the division.
 - (iv) The division shall then issue a salvage certificate in the owner's name.
 - (c)

- (i) When a salvage vehicle is not the subject of an insurance settlement, a self-insurer or an owner who is uninsured shall within 10 days after the day on which the motor vehicle is damaged surrender to the division the properly endorsed certificate of title or other evidence of ownership acceptable to the division.
 - (ii) After receiving the documents described in Subsection (1)(c)(i), the division shall issue a salvage certificate in the owner's name.
- (d)
- (i) If a dealer licensed under Title 41, Chapter 3, Part 2, Licensing, takes possession of any salvage vehicle for which there is not already issued a branded title or salvage certificate from the division or another jurisdiction, the dealer shall within 10 days after the day on which the dealer takes possession of the vehicle surrender to the division the certificate of title or other evidence of ownership acceptable to the division.
 - (ii) After receiving the documents described in Subsection (1)(d)(i), the division shall issue a salvage certificate in the applicant's name.
- (2) Any person, insurance company, or dealer licensed under Title 41, Chapter 3, Part 2, Licensing, who fails to obtain a salvage certificate as required in this section or who sells a salvage vehicle without first obtaining a salvage certificate is guilty of a class B misdemeanor.
- (3) This section does not apply to a vehicle:
- (a) that has an undamaged, wholesale value of \$2,000 or less; or
 - (b) if a salvage certificate has been issued by another state or jurisdiction for the salvage vehicle.
- (4) Upon sale or disposal of a salvage vehicle, the seller shall deliver to the purchaser the properly endorsed salvage certificate within 48 hours as required in Section 41-1a-1310, or if the seller is a dealer licensed under Title 41, Chapter 3, Part 2, Licensing, the dealer shall comply with Section 41-3-301.
- (5) Except as provided in Subsection (6), this part does not apply to a motor vehicle that has been stolen or taken without the consent of the owner until the motor vehicle has been recovered, and then it applies only if the motor vehicle is a salvage vehicle.
- (6)
- (a) An insurance company that pays a claim to the owner of a motor vehicle that is stolen and not recovered shall, within 10 days after the day on which settlement of the loss occurs, surrender to the division the outstanding certificate of title, properly endorsed, or other evidence of ownership acceptable to the division.
 - (b) After receiving the documents described in Subsection (6)(a), the division shall issue a certificate of title in the insurance company's name.
 - (c) An insurance company that pays a claim to the owner of a motor vehicle that is later recovered may sell the motor vehicle:
 - (i) with the certificate of title in the insurance company's name;
 - (ii) with a salvage certificate, if the recovered vehicle is a salvage vehicle; or
 - (iii) with a nonrepairable certificate, if the recovered vehicle is a nonrepairable vehicle.

Amended by Chapter 424, 2019 General Session