



## INFORMATIONAL MEMORANDUM

INS NO 05-043-AB

ISSUED

October 2005

New Hampshire Insurance Department  
Roger Sevigny, Commissioner

### To All Property and Casualty Insurers in the State of New Hampshire

#### *Reminder of Statutory Requirements Regarding Certificates of Title Upon Payment of Total Losses for Motor Vehicles and Mobile Homes*

In the wake of the catastrophic property damage occurring during the 2005 and 2004 hurricane seasons, the Office has received information indicating that owners may be selling cars and other vehicles without disclosing the fact that the vehicle has been damaged by water. The purpose of this Informational Memorandum is to remind insurers of the requirements of (NH RSA 261:22), which defines a "total loss" of an insured motor vehicle or mobile home for purposes of requiring a salvage title.

RSA 261:22 (II and IV) which states, ...

*II. Any insurance firm or representative thereof who shall declare a motor vehicle other than an exempt vehicle as provided in RSA 261:3 as having been a total loss shall make application for a salvage certificate of title within 20 days of the total loss payment. Such application shall be accompanied by:*

- (a) Any certificate of title;*
- (b) Any other information and documents the director reasonably requires to establish ownership of the vehicle and the existence or nonexistence of security interest in it; and*
- (c) The required fee of \$10.*

*VI. For purposes of this section, a total loss vehicle shall mean either an unrecovered stolen vehicle or one which has sustained damage or injury so extensive that it is physically or economically impractical to repair.*

Proper notification to the Division of Motor Vehicle by insurers allows a vehicle title to be identified properly and puts the end purchaser on notice of past vehicle use, defects, damages and restrictions regarding sale and transferability. This is especially important given the many losses to motor vehicles and mobile homes sustained during the 2004 and 2005 hurricane seasons.

Willful violations of these provisions of New Hampshire law are punishable by law. In addition, this Office may take administrative action, as it may deem necessary, against licensed insurers violating these requirements.

For further information, contact the Property & Casualty Market Conduct unit at (603) 271-2261.