

ASSEMBLY BILL

No. 2363

Introduced by Assembly Member Granlund

February 24, 2000

An act to amend Section 11515.2 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 2363, as introduced, Granlund. Nonrepairable vehicle: insurance company.

Under existing law, whenever an insurance company is involved in a total loss settlement of a nonrepairable vehicle, a specific procedure is required to be followed.

This bill would allow an insurance company, when determining a value for a total loss settlement, to use any source for determining statistically valid fair market values if that source meets specified criteria.

Because a violation of this provision would be a crime under existing law, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11515.2 of the Vehicle Code is
2 amended to read:

3 11515.2. (a) Whenever an insurance company makes
4 a total loss settlement on a nonrepairable vehicle and
5 takes possession of that vehicle, either itself or through an
6 agent, the insurance company, an occupational licensee
7 of the department authorized by the insurance company,
8 or a salvage pool authorized by the insurance company,
9 shall, within 10 days after receipt of title by the insurer,
10 free and clear of all liens, forward the properly endorsed
11 certificate of ownership or other evidence of ownership
12 acceptable to the department, the license plates, and a
13 three-dollar (\$3) fee, to the department. An occupational
14 licensee of the department may submit a certificate of
15 license plate destruction in lieu of the actual license plate.
16 The department, upon receipt of the certificate of
17 ownership or other evidence of title, the license plates,
18 and the three-dollar (\$3) fee, shall issue a nonrepairable
19 vehicle certificate for the vehicle.

20 (b) Whenever the owner of a nonrepairable vehicle
21 retains possession of the vehicle, the insurance company
22 shall notify the department of the retention on a form
23 prescribed by the department. The insurance company
24 shall also notify the insured or owner of the insured's or
25 owner's responsibility to comply with this subdivision.
26 The owner shall, within 10 days from the settlement of the
27 loss, forward the properly endorsed certificate of
28 ownership or other evidence of ownership acceptable to
29 the department, the license plates, and a three-dollar
30 (\$3) fee to the department. The department, upon
31 receipt of the certificate of ownership or other evidence
32 of title, the license plates, and the three-dollar (\$3) fee,
33 shall issue a nonrepairable vehicle certificate for the
34 vehicle.

35 (c) Whenever a nonrepairable vehicle is not the
36 subject of an insurance settlement, the owner shall,
37 within 10 days from the loss, forward the properly
38 endorsed certificate of ownership or other evidence of



1 ownership acceptable to the department, the license
2 plates, and a three-dollar (\$3) fee to the department.

3 (d) Whenever a nonrepairable vehicle is not the
4 subject of an insurance settlement, a self-insurer, as
5 defined in Section 16052, shall, within 10 days of the loss,
6 forward the properly endorsed certificate of ownership
7 or other evidence of ownership acceptable to the
8 department, the license plates, and a three-dollar (\$3) fee
9 to the department.

10 (e) Prior to sale or disposal of a nonrepairable vehicle,
11 the owner, owner's agent, or salvage pool, shall obtain a
12 properly endorsed nonrepairable vehicle certificate and
13 deliver it to the purchaser within 10 days after payment
14 in full for the nonrepairable vehicle and shall also comply
15 with Section 5900. The department shall accept the
16 endorsed nonrepairable vehicle certificate in lieu of the
17 certificate of ownership or other evidence of ownership
18 when accompanied by an application and other
19 documents and fees, including, but not limited to, the fees
20 required by Section 9265, as may be required by the
21 department.

22 (f) This section does not apply to a vehicle that has
23 been driven or taken without the consent of the owner
24 thereof, until the vehicle has been recovered by the
25 owner and only if the vehicle is a nonrepairable vehicle.

26 (g) A nonrepairable vehicle certificate shall be
27 conspicuously labeled with the words
28 "NONREPAIRABLE VEHICLE" across the front of the
29 certificate.

30 (h) *When determining the value for a total loss*
31 *settlement, an insurance company may use any source for*
32 *determining statistically valid fair market values if the*
33 *source meets all of the following criteria:*

34 (1) *Gives primary consideration to the values of*
35 *vehicles in the local market area and may consider data*
36 *on vehicles outside the area.*

37 (2) *The database produces values for at least 85*
38 *percent of all makes and models for the last 15 model*
39 *years, taking into account the values of all major options*
40 *for the vehicles.*



1 (3) *Produces fair market values based on current data*
2 *available from the area surrounding the location where*
3 *the insured vehicle was principally garaged or may*
4 *include a necessary expansion of this parameter to assure*
5 *statistical validity.*

6 (i) A violation of subdivision (a), (b), (d), or (e) is a
7 misdemeanor, pursuant to Section 40000.11.
8 Notwithstanding Section 40000.11, a violation of
9 subdivision (c) is an infraction, except that, if committed
10 with intent to defraud, a violation of subdivision (c) is a
11 misdemeanor.

12 SEC. 2. No reimbursement is required by this act
13 pursuant to Section 6 of Article XIII B of the California
14 Constitution because the only costs that may be incurred
15 by a local agency or school district will be incurred
16 because this act creates a new crime or infraction,
17 eliminates a crime or infraction, or changes the penalty
18 for a crime or infraction, within the meaning of Section
19 17556 of the Government Code, or changes the definition
20 of a crime within the meaning of Section 6 of Article
21 XIII B of the California Constitution.

