



Dear Chairman and members of the committee:

My name is Rod Stasik and I am here today on behalf of Insurance Auto Auctions to support Senate Bill 196. Insurance Auto Auctions is a licensed salvage pool that handles the sale of damaged and theft-recovered vehicles for the insurance industry. We have two locations in the state of MI and employ approximately 30 people.

Automobile insurers process thousands of total loss claims in Michigan each year.

For the vast majority of these claims, after the total loss settlement is paid to the vehicle owner and any lienholder, the certificate of title for the vehicle is available to the insurer and the further titling of the vehicle can be handled in accordance with Michigan statutes. However, there are occasions when, even though the insurer has paid the total loss settlement, the certificate of title for the vehicle is not made available to the insurer. The result of the above situation is that vehicles sit in salvage auction facilities, often with no straight-forward or efficient way to dispose of them.

This bill sets forth a process whereby, in this case, the insurer may obtain an appropriate certificate of title for the vehicle without surrendering the certificate of title. The insurer will send an application for an appropriate type of title to the Secretary of State along with proof of payment of the claim and a copy of the notices sent to the owner and any lienholder requesting the certificate of title.

The above process will help insurers expedite the receipt of an ownership document in their name and implement the salvage laws in a timely manner.

Additionally, the bill sets forth a process for a salvage pool to dispose of an abandoned vehicle on its property if the owner or lienholder does not remove the vehicle from the salvage pool's facility after due notice has been sent. This process would be much more efficient than the current process salvage pools follow.

For the reasons stated above, Insurance Auto Auctions supports the bill and asks for your support as well. I thank you for the opportunity to address the Committee and would like to thank the Chairman for the leadership and work on this issue. I stand ready to answer any questions that you may have.

Rod Stasik