



**INFORMATIONAL MEMORANDUM**

**OIR-05-017M**

**ISSUED**

**October 10, 2005**

Florida Office of Insurance Regulation

**Kevin McCarty, Commissioner**

**To All Property and Casualty Insurers in the State of Florida**

***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 2004 and 2005 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 Section 319.30, Florida Statutes, which defines a "total loss" of an insured motor vehicle or mobile home for purposes of requiring a salvage title and describes the responsibilities of an insurer which pays a total loss.

Section 319.30 (3)(b) in part states, *...an insurance company which pays money as compensation for total loss of a motor vehicle or mobile home shall obtain the certificate of title for the motor vehicle or mobile home and, within 72 hours after receiving such certificate of title, shall forward such title to the department [Department of Highway Safety and Motor Vehicles (DHSMV)] for processing. The owner or insurance company, as the case may be, may not dispose of a motor vehicle or mobile home that is a total loss before it has obtained a salvage certificate of title or certificate of destruction from the department [DHSMV].*

Proper notification to DHSMV 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 Florida law are punishable as misdemeanors. In addition, the Office may take administrative action, as it may deem necessary, against licensed insurers violating these requirements.

For further information, contact Market Investigations at (850) 413-3155.