



Department of Business Regulation

1511 Pontiac Avenue

Cranston, RI 02920

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Insurer's Obligations under Rhode Island Salvage Law

The Department of Business Regulation issues this Bulletin to emphasize insurers' obligations under [R.I. Gen Laws § 31-46-1 et seq.](#) This Bulletin supplements [Insurance Bulletin 2003-4](#).

R.I. Gen. Laws § 31-46-1 provides:

Any insurance company taking possession of a motor vehicle for which a certificate of title has been issued in this state, that has been declared a total loss because of damage to that vehicle, in settlement of a claim for damage or theft shall within ten (10) days deliver to the division of motor vehicles the certificate of title of that vehicle and obtain a salvage certificate of title for that vehicle as prescribed for by the administrator of the division of motor vehicles.

Under this statute, any vehicle declared a total loss in Rhode Island must be retitled in accordance with Rhode Island statutes and the certificate of title must be delivered to the Rhode Island Division of Motor Vehicles. Further, prior to making application with the Division of Motor Vehicles, the insurer must evaluate the damage to the vehicle and properly classify the salvage as "parts only" or "repairable" as defined in R.I. Gen. Laws § 31-46-1.1.

It has come to the Department's attention that Insurers have contracted with outside vendors for the purposes of titling total loss vehicles. As with any statutory or regulatory obligation, the requirements of R.I. Gen. Laws § 31-46-1 are the insurers and the insurer is liable for the conduct of any outside vendor to which the insurer delegates that responsibility. The services provided by and on behalf of an insurer must fully comply with Rhode Island Laws and Regulations.

The Department will investigate all consumer complaints to ascertain compliance with this Bulletin. In addition, market conduct examinations by the Department will ascertain compliance with applicable laws, regulations and Bulletins. Insurers that fail to properly deliver the certificate of title to the Rhode Island Division of Motor Vehicle and obtain a salvage certificate in accordance with applicable Rhode Island Salvage Laws and Regulations will be subject to administrative penalties in accordance with applicable Rhode Island Law and Regulations.

Joseph Torti, III
Associate Director and Superintendent of Insurance
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