
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the existing process
2 for transferring ownership of a salvaged motor vehicle to an
3 insurance company after a total loss insurance settlement can
4 involve unnecessary delays and paperwork burdens due to
5 notarization and manual signature requirements. These
6 inefficiencies can hinder timely processing; increase
7 administrative costs; and burden vehicle owners, insurance
8 companies, and the counties.

9 The purpose of this Act is to modernize and streamline the
10 vehicle title transfer process by allowing for electronic
11 signatures to be used for salvaged vehicles after a total loss
12 insurance settlement.

13 SECTION 2. Section 286-48, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "**§286-48 Certificates of ownership of salvaged motor**
16 **vehicles.** (a) Whenever a motor vehicle subject to registration
17 under this part is sold as salvage or conveyed to an insurance



1 company, in the ordinary course of business or as the result of
2 a total loss insurance settlement where the insurance company
3 receives the certificates of registration and ownership, the
4 purchaser or, if the purchaser is an insurance company, its
5 authorized agent, shall, within ten days from the purchase[7] or
6 the settlement of the insurance loss, forward the motor
7 vehicle's endorsed certificate of ownership or other evidence of
8 title, certificate of registration, license plates, and an
9 application for a salvage certificate as provided for in section
10 286-44.5[7] to the director of finance. If the certificate of
11 registration or one or both license plates are lost, an
12 affidavit, duly notarized and signed, or a declaration signed
13 electronically without a notary, by the party responsible for
14 the compliance of this section stating that the party has no
15 knowledge of the location of the certificate of registration or
16 the license plates, shall be filed with the director of finance
17 of the county having jurisdiction over the motor vehicle. In
18 any event the certificate of ownership or other evidence of
19 title shall be forwarded to the director of finance.

20 (b) Upon receipt of the certificate of ownership,
21 certificate of registration, license plates, and application for



1 a salvage certificate, the director of finance shall issue a
2 salvage certificate in the name of the purchaser or insurance
3 company.

4 (c) Upon resale of the salvage vehicle, the seller or, if
5 the seller is an insurance company, its authorized agent, shall
6 transfer the salvage certificate and issue a bill of sale to the
7 purchaser, which shall be on a form prescribed by the director
8 of finance. The seller shall notify the purchaser, in writing,
9 of the requirements of this chapter regarding the
10 recertification of salvage vehicles. The seller shall sell the
11 salvage vehicle only to a person licensed pursuant to chapter
12 437B, ~~[sections]~~ section 289-4~~[7]~~ or 445-232, or any person who
13 executes an affidavit ~~[which]~~ that states whether ~~[or not]~~ the
14 salvage vehicle would be used to construct a rebuilt vehicle ~~[as~~
15 ~~defined in section 286-2]~~ and that if the salvage vehicle is to
16 be rebuilt, the purchaser will register the rebuilt vehicle as
17 required by this chapter.

18 (d) In the event the salvage vehicle is rebuilt so as to
19 be capable of again operating on the highways of ~~[this]~~ the
20 State, the motor vehicle shall not be licensed for ~~[such]~~ the
21 operation, nor shall the ownership ~~[thereof]~~ of the motor



1 vehicle be transferred until there is submitted to the director
2 of finance:

3 (1) The prescribed bill of sale;

4 (2) An appropriate application for registration of the
5 rebuilt vehicle or restored motor vehicle along with
6 the salvage certificate and a certificate of
7 inspection signed by the [~~registered or certified~~]
8 licensed motor vehicle repair dealer who is bonded as
9 required by section 437B-26, and who rebuilt the
10 vehicle, attesting that the original recognized
11 vehicle manufacturer's established repair procedures
12 or specifications and allowable tolerances for the
13 particular model and year were utilized and adhered
14 to; and

15 (3) Any other document and fee required by the director of
16 finance.

17 The counties may, by ordinance, establish the fee to be charged
18 for the inspection of rebuilt [~~motor~~] vehicles.

19 (e) Whenever a certificate of registration and certificate
20 of ownership is issued for a motor vehicle with respect to which
21 a salvage certificate has been previously issued, the new



1 certificates shall conform to the requirements of section 286-47

2 and:

3 (1) Bear the words "Rebuilt Vehicle"; and

4 (2) Appear in [~~such~~] a manner as to distinguish them from
5 the certificate of registration and certificate of
6 ownership for motor vehicles other than rebuilt
7 vehicles or restored motor vehicles.

8 (f) In the event a total loss insurance settlement between
9 an insurance company and its insured or a claimant for property
10 damage caused by its insured results in the retention of the
11 salvage vehicle by the insured or claimant, as the case may be,
12 then in [~~such~~] that event, the insurance company or its
13 authorized agent shall notify, within ten days from the date of
14 settlement, the director of finance of [~~such~~] the retention by
15 its insured or claimant, as the case may be, and shall notify
16 its insured[~~7~~] or claimant [~~as the case may be~~], in writing, of
17 the requirements of this chapter regarding the recertification
18 of salvage vehicles. The notification shall be on a form
19 prescribed by the director of finance.

20 (g) Notwithstanding any other law to the contrary,
21 supporting documents used to transfer ownership of a motor



1 vehicle to an insurance company after payment of damages from
2 the result of a total loss insurance settlement pursuant to this
3 section:

4 (1) Shall not require a notarized signature;

5 (2) May be signed electronically; and

6 (3) May be printed on hard copy.

7 For the purposes of this subsection, "supporting documents"
8 includes but is not limited to power of attorney, application
9 for duplicate title, and odometer disclosure forms.

10 (h) An insurance company shall indemnify and hold harmless
11 the director of finance for any claims resulting from issuing a
12 title pursuant to this section utilizing documents signed
13 electronically without a notary."

14 SECTION 3. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

Salvaged Motor Vehicles; Transfer; Supporting Documents;
Electronic Signature; Indemnification

Description:

Authorizes supporting documents used to transfer ownership of a motor vehicle to an insurance company after payment of damages from the result of a total loss insurance settlement to be signed electronically. Requires insurance companies to indemnify and hold harmless the Director of Finance for any claims resulting from the issuance of motor vehicle titles utilizing documents signed electronically without a notary. Effective 7/1/3000. (HD2)

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