

(1) When a settlement has occurred between an insurance company and the insured for a vehicle that has been reported as stolen in this state, the insurance company may make application for certificate of title in their name by completing form MVT 40-1e and submitting the following documents:

- (a) Outstanding properly assigned certificate of title.
- (b) Any other documents used to support the application or transfer of title.
- (c) Fee required in § 32-8-6, Code of Ala. 1975.
- (d) Lien release (if applicable).

(2) Upon receipt of a properly completed MVT 40-1e, the department will issue an electronic certificate of title in the name of the insurance company indicating that the vehicle is reported as stolen and unrecovered.

(3) Upon recovery of the vehicle, the insurance company must electronically update the title record utilizing the Alabama title system. The insurance company must include, in the disclosure, whether the recovered vehicle was a total loss requiring that a salvage certificate of title be issued in the name of the insurance company. The insurance company must also disclose whether the salvage title is being obtained due in part to water damage to the vehicle and whether the vehicle is designated as “parts only.” In addition, the insurance company will provide, if applicable, an updated mailing address where the certificate of title will be mailed.

(4) Upon receipt of the disclosure from the insurance company, the department shall issue a certificate of title in paper form, unless otherwise issued electronically, in the name of the insurance company.

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Authority: §§ 40-2A-7(a)(5), 32-8-1 through 32-8-88, Code of Ala. 1975.

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