

MISSOURI DIVISION OF INSURANCE

MEMORANDUM

Bulletin #89-14

TO: ALL INSURANCE COMPANIES LICENSED TO WRITE AUTOMOBILE INSURANCE IN
THE STATE OF MISSOURI
PLEASE REFER THIS TO ALL PERSONS HANDLING AUTOMOBILE CLAIMS FOR
YOUR COMPANY

FROM: LEWIS E. MELAHN, DIRECTOR OF INSURANCE

SUBJECT: HOUSE BILL 1581

DATE: OCTOBER 4, 1989

RESCINDED AND INOPERATIVE

During the 1988 Legislative Session, the Missouri General Assembly enacted and Governor John Ashcroft signed into law House Bill 1581, effective July 1, 1989. This new law impacts on insurers writing automobile insurance in Missouri in that the definition of "reconstructed motor vehicle" has been amended.

Since 1986, insurers which have paid claims for repair of motor vehicles which, as a result of that repair, are then considered "reconstructed motor vehicles," must notify the claimant (if he is the owner of the vehicle) and the lienholder (if a lien is in effect) that he is required to surrender the Certificate of Ownership and certain other documents and fees to the Missouri Director of Revenue. In addition, the insurer must report to the Director of Revenue within 30 days of the payment of these claims the following information: the name and address of the claimant, the year, make, model, vehicle identification number, license plate number of the vehicle and the date and loss of payment. These responsibilities are mandated pursuant to Section 301.020 RSMo. The "certain other documents and fees" mentioned above are specified in Section 301.020.3 of House Bill 1581.

The definition of "reconstructed motor vehicle" pursuant to House Bill 1581 is "a vehicle that is altered from its original construction by the addition or substitution of two or more new or used major component parts, excluding motor vehicles made from all new parts, and new multistage manufactured vehicles." (emphasis added). Prior to July 1, 1989, the addition or substitution of three or more major component parts qualified a vehicle as a "reconstructed motor vehicle." Therefore, any insurer which pays a claim for repair of a

motor vehicle which necessitates the addition or substitution of two major component parts must notify the claimant, lienholder and Director of Revenue accordingly.

Enclosed is a copy of material from the Motor Vehicle Bureau of the Missouri Department of Revenue. This material describes motor vehicle titling requirements in detail and it contains definitions of "reconstructed motor vehicle" and "major component parts."

If you have any questions regarding these provisions of House Bill 1581, you may contact the Special Titles Group of the Missouri Department of Revenue at 314-751-2609. Thank you for your compliance with House Bill 1581.

LEM/MSR/vw
Enclosure



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RECONSTRUCTED MOTOR VEHICLE TITLING REQUIREMENTS

Below are the requirements necessary to obtain a title for a reconstructed motor vehicle. The term "Reconstructed Motor Vehicle" is defined on page two (2).

1. Application for an original Missouri certificate of title (DOR-108) completed and signed by the applicant;
2. Vehicle Examination Certificate and Affidavit, (DOR-551).
NOTE: TO OBTAIN THE FORM YOU MUST SUBMIT A WRITTEN REQUEST TO THE MOTOR VEHICLE BUREAU INDICATING YOUR NAME AND ADDRESS AND A CHECK OR MONEY ORDER FOR \$25.00 OR OBTAIN THE FORM FROM ANY OF THE LICENSE OFFICES SHOWN ON THE ATTACHED LIST;
 - a. The top portion of the DOR-551 must be completed in full, signed by the applicant, and notarized. The bottom portion of the form must be completed by an authorized officer of the Missouri State Highway Patrol or Auto Theft Bureau in the city or county of St. Louis.
 - b. If the Vehicle Examination Certificate and Affidavit indicates the public vehicle identification number of the vehicle is missing, an application and \$7.50 fee for a Replacement Vehicle Identification Number must be submitted. THIS APPLICATION IS COMPLETED BY A MEMBER OF THE MISSOURI STATE HIGHWAY PATROL OR AUTO THEFT BUREAU IN THE CITY OR COUNTY OF ST. LOUIS.
 - c. If the Vehicle Examination Certificate and Affidavit indicates multiple vehicle identification numbers are affixed to the vehicle and the year or make of the vehicle has changed from what is shown on the certificate of title, or if no identification number exists, the department may require the owner of the vehicle to remove or have removed the multiple numbers, if applicable, and a DR Number will be issued by the Motor Vehicle Bureau for the owner to affix to his vehicle. The fee for the DR Number is \$7.50.
3. Surrendered certificate of ownership;
4. Invoices for major parts such as bumper, hood, fender, grille, trunk lid, and doors that are not major component parts. The invoice must list the the applicants name as purchaser, part name, purchase price, seller, and if taxes were collected by the seller;
5. Descriptive notarized bills of sale for all major component parts used to reconstruct the vehicle (see definitions on pages two and three (2 and 3) for a list of major component parts). The bill of sale must indicate the purchaser's name, the year, make, and vehicle identification number of the motor vehicle(s) the parts were obtained from and the purchase price of the unit(s) or parts;

6. Photostatic copies of the front and back of the certificate(s) of title to the vehicle(s) from which the major component parts were taken;
7. Applicable fees and taxes:
 - a. \$7.50 title fee;
 - b. Sales/use tax due on the purchase price of all parts used to reconstruct the vehicle at the rate of 4.225% in addition to any local taxes that are imposed. (If taxes were collected by the seller, an invoice indicating taxes have been paid must be submitted.);
 - c. \$7.50 fee for a DR Number, if applicable;
 - d. \$7.50 fee for a replacement vehicle identification number plate, if applicable.
8. Application for Replacement Vehicle Identification Number, (DOR-923), if applicable.

PLEASE NOTE THAT MOTOR VEHICLES ARE TITLED BY APPEARANCE IN THE STATE OF MISSOURI. EXAMPLE: IF A 1978 CHEVROLET BODY IS ATTACHED TO A 1979 FORD FRAME, THE VEHICLE WILL BE TITLED AS 1978 CHEVROLET.

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DEFINITIONS

RECONSTRUCTED MOTOR VEHICLE - A motor vehicle which has received damage and is repaired, assembled, or reconstructed by means of two or more new or used major component parts, as defined in this section, including but not limited to such major component parts that have been derived from other motor vehicles, or makes of motor vehicles. An original Missouri certificate of title will be issued with the words "Reconstructed Motor Vehicle" printed on the face of the title.

MAJOR COMPONENT PARTS - The major component parts of a motor vehicle are listed and defined below.

1. REAR CLIP - the complete rear sheet metal assembly formed by severing the vehicle across the floor and either through the windshield post or through the rear window post.
2. COWL - sheet metal formed by severing the vehicle across the floor in the vicinity of the front seat, severing the windshield posts (not including removing the parts forward of the firewall).

NOTE: If a cowl is included as an integrated part of a front clip, front end assembly, or rear clip, it shall not be considered a major component part for the purpose of determining the total number of such major component parts used in the reconstruction of the vehicle.

3. FRAME - the steel basic structure which runs the entire length of the vehicle onto which the suspension parts are bolted to the lower side and the body is bolted to the top side.
4. FRONT END ASSEMBLY - an entire unit consisting of that portion of the body from the firewall forward (i.e., hood, both fenders, inner skirt or fenders, radiator or core support, grille).
5. FRONT CLIP - all parts of the front end assembly plus complete cowl and may include instrumentation and steering column. Requires cutting of floor and windshield post.
6. BODY - the shell, either of a unibody or frame-type passenger vehicle, which consists of a one-piece, integrated sheet metal construction extending from the firewall back. The body includes a cowl but not a front-end assembly. It may or may not include an interior, doors, and deck lid.
7. CAB - the passenger compartment of a common truck. It is a one-piece sheet metal construction which may or may not include glass, instrumentation, steering column and seat.

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