



June 5, 2023

Via email: [irrc@irrc.state.pa.us](mailto:irrc@irrc.state.pa.us)

George D. Bedwick  
Chairman, Independent Regulatory Review Commission  
333 Market Street, 14<sup>th</sup> Floor  
Harrisburg, PA 17101

***Re: IRR#3373, Proposed Rulemaking, Office of Attorney General, Automotive Industry Trade Practices, 37 Pa. Code Ch. 301.***

Dear Chairman Bedwick,

Insurance Auto Auctions (IAA) is an auto auction company that primarily handles the sale of total loss vehicles for the insurance industry. We operate in all 50 states and have nine auction facilities in the state of Pennsylvania. We sell tens of thousands of vehicles each year in Pennsylvania.

Regarding the captioned proposed rulemaking, IAA requests the following changes:

- 1) Regarding proposed subsection (5) of section 301.2, add the following:

“This subsection does not apply to a motor vehicle the ownership document for which is a certificate of salvage or a nonrepairable certificate if the motor vehicle has been advertised prior to sale as having such type of ownership document.”

Rationale: Salvage vehicles and nonrepairable vehicles are, by definition, damaged vehicles and the branded titles give buyers notice of their damaged status. While subsection (5) provides that “a motor vehicle which is offered for sale is represented to be roadworthy”, the definition of a salvage vehicle, to the contrary, provides that the vehicle is “inoperable or unable to meet the vehicle equipment and inspection standards...” (75 Pa.C.S.A. section 102). Nonrepairable vehicles are not even allowed to be returned to the road.

IAA further requests that proposed subsection (5) exempt sales by or through an auction, by inserting language such as:

“This subsection does not apply to a motor vehicle sold or to be sold by or through an auction licensed as provided in 63 P.S. section 818.303.”

Rationale: Auctions are not generally the owners of the vehicles they sell, and the sheer volume of vehicles handled make the disclosure requirements cost prohibitive and unworkable.

- 2) Regarding proposed subsection (5.1) of section 301.2, replace “Except as to a sale of a motor vehicle to another motor vehicle dealer” with “Except as to a sale of a motor vehicle to another



motor vehicle dealer, to a vehicle business authorized to buy pursuant to 63 P.S. 818.303(f)(2) or to another wholesale buyer”.

Rationale: All wholesale sales allowed by 63 P.S. 818.303(f)(2), not just those to a retail dealer, should be exempt from proposed section 301.2(5.1). As a wholesale vehicle auction, IAA primarily sells salvage vehicles on behalf of the insurance industry. 63 P.S. 818.303(f)(2) sets forth permitted buyers at wholesale vehicle auctions. These permitted buyers include vehicle salvage dealers. “Vehicle salvage dealer” is defined as “Any person regularly engaged in the business of acquiring and dismantling used, wrecked, damaged, abandoned or salvage vehicles for the purpose of selling the usable parts and selling the remaining vehicle hulk materials for recycling or processing.” (75 Pa. C.S.A. section 1337) These statutorily permitted wholesale sales to vehicle salvage dealers are an example of the need for the expansion of the exception in proposed section 301.2(5.1).

IAA further requests that proposed subsection (5.1) exempt sales by or through an auction, by inserting language such as:

“This subsection does not apply to a motor vehicle sold or to be sold by or through an auction licensed as provided in 63 P.S. section 818.303.”

Rationale: Auctions are not generally the owners of the vehicles they sell, and the sheer volume of vehicles handled make the inspection requirements cost prohibitive and unworkable. The inspection requirements are nonsensical with respect to salvage vehicles and nonrepairable vehicles.

3) Regarding proposed subsection (9.1) of section 301.4, add the following:

“This subsection does not apply to a motor vehicle the ownership document for which is a certificate of salvage or a nonrepairable certificate if the motor vehicle has been advertised prior to sale as having such type of ownership document.”

Rationale: When a vehicle has sustained damage so as to warrant a branded title, the advertising of the existence of such branded title is adequate notice of damage for a buyer. There is no commensurate benefit in attempting to further detail damage. When a buyer buys a salvage vehicle at a salvage pool, the buyer is not surprised that the vehicle is damaged.

IAA further requests that proposed subsection (9.1) exempt sales by or through an auction, by inserting language such as:

“This subsection does not apply to a motor vehicle sold or to be sold by or through an auction licensed as provided in 63 P.S. section 818.303.”

Rationale: Because the section 301.2 (5) disclosure requirements do not apply to auction sales, subsection (9.1) should also exempt auction sales.



If you have any questions regarding the above, please contact me at (708) 710-6054 or [kdotzeva@iaai.com](mailto:kdotzeva@iaai.com).

Thank you,

*/s/ Katerina Dotzeva*

IAA, Inc. – Katerina Dotzeva, Director of Government Affairs