



COLORADO

Department of
Regulatory Agencies

Division of Insurance

Bulletin No. B-5.51

Concerning Insurer's Payment of Registration Fees for Total Loss Vehicles

I. Background and Purpose

The purpose of this bulletin is to provide clarification of the Colorado Division of Insurance's ("Division") position regarding an insurer's payment of registration fees following the total loss of a motor vehicle.

Bulletins are the Division of Insurance's interpretations of existing insurance law or general statements of Division policy. Bulletins themselves neither establish binding norms nor finally determine issues or rights.

II. Applicability and Scope

This Bulletin is intended to provide guidance to all insurers issuing motor vehicle policies in Colorado and is applicable to first and third party claims of total loss vehicles.

III. Division Position

Section 10-4-639(1), C.R.S. states that "[a]n insurer shall pay title fees, sales tax, and any other transfer or *registration fee* associated with the total loss of a motor vehicle" (emphasis added). For the purposes of this Bulletin, registration fees are limited to the registration fees for passenger vehicles identified in § 42-3-306(2)(b), C.R.S., namely the fees ranging from \$2 to \$20 relating to the weight of the vehicle being registered. Other amounts collected at the time of vehicle registration are not defined as registration fees under § 10-4-639(1).

Some insurers choose not to pay registration fees associated with total loss vehicles when an insured retains the totaled motor vehicle rather than accepting a cash payment for the vehicle's value.

Historically, the Division has agreed with this position taken by insurers, considering that an insured likely does not bear a loss associated with a totaled vehicle's registration fees if the insured keeps and has the ability to continue to use that vehicle. However, recent court decisions¹ have strictly interpreted the language of Section 10-4-639(1), C.R.S. to require payment of registration fees in almost all circumstances in which a vehicle is totaled with only limited exceptions.

Given this recent interpretation, it is the Division's position that insurers must pay the registration fees associated with an insured's totaled motor vehicle, even when the insured chooses to retain the salvage for a reduced settlement amount.

¹ See *Trudgian v. LM General Ins. Co.*, 490 P.3d 944 (Colo. App. 2020); *Monson v. Country Preferred Ins. Co.*, 2018 WL 11016704 (D. Colo., Sept. 28, 2018); *Carter v. Amica Mutual Ins. Co.*, 2018 WL 3093320 (D. Colo., June 22, 2018).

There may be a limited number of instances in which insurers may not be required to pay a vehicle's registration fees following a total loss, including when an insured retains and continues to drive a totaled vehicle or when an insured does not obtain a replacement vehicle. However, courts have not taken a clear position on payment of registration fees in these types of circumstances.

IV. History

Issued December 10, 2024.