§ 3412. Automobile physical damage insurance covering private passenger automobiles; salvage; total losses; thefts; duties of insurers. (a) Notwithstanding any other provision of this chapter, the provisions of this section shall be applicable to all physical damage losses incurred on policies covering private passenger automobiles registered in this state for model year nineteen hundred seventy-three or later.

(b) In accordance with regulations of the superintendent insurers shall, except where the insured is permitted to retain the automobile as part of the claim settlement, take possession of any salvage and the certificate of title, properly endorsed to them of private automobiles whenever a loss is determined by the insurer to be a total loss or a constructive total loss. Insurers, in disposing of the salvage, shall fully comply with the requirements of section four hundred twenty-nine of the vehicle and traffic law. An insurer shall also have the right, where a claim is filed for the replacement of an inflated and deployed or stolen inflatable restraint system (air bag), as defined in subparagraph (b) of S 4.1.5.1 of standard 208 of part 571 of title 49 of the code of federal regulations, to inspect the vehicle for which the claim is being filed to verify that the air bag did inflate and deploy or was stolen. The insurer shall also have the right to take possession of a deployed airbag.

(c) Except with respect to vehicles recovered after a theft loss has been paid and which meet the criteria set forth in subdivision two of section four hundred thirty of the vehicle and traffic law, insurers shall not, directly or indirectly, transfer within or without this state any vehicle for salvage, except to a governmental agency, an automobile dealer, a vehicle dismantler, or a scrap processor licensed, registered or certified in accordance with the provisions of the vehicle and traffic law, or any such person meeting licensing, registration or certification requirements of the state in which such person does business. An insurer or its agents shall not purchase salvage vehicles or used major component parts of motor vehicles except from a registered vehicle dismantler or an automobile dealer.

(d) Insurers shall report private passenger automobiles involved in total losses, including the vehicle identification number and such other information as may be required, to a central organization engaged in

automobile loss prevention as designated by the superintendent, in accordance with regulations of the superintendent. The central organization shall also be responsible for recording any special vehicle identification number issued by the commissioner of motor vehicles pursuant to subdivision two of section four hundred thirty-one of the vehicle and traffic law and in accordance with regulations of the superintendent.

(e) Prior to the payment of total losses, insurers shall comply with verification procedures in accordance with regulations of the superintendent.

(f) Police and other law enforcement agencies charged with the investigation of automobile thefts shall promptly report to the owner of the automobile and the central organization designated by the superintendent, all locations of private passenger automobiles reported stolen or found to be abandoned. In accordance with regulations of the superintendent, the central organization shall be responsible for receiving and recording such reports, and shall promptly transmit such information to the insurer of the automobile physical damage coverage.

(g) All policies providing automobile physical damage coverage shall include a provision authorizing the insurer to take the insured motor vehicle into custody for safekeeping, when notified that the motor vehicle reported stolen or found to be abandoned has been located.

(h) (1) The central organization designated by the superintendent and each insurer authorized to issue automobile comprehensive insurance policies covering losses incurred to private passenger vehicles shall upon request of any appropriate law enforcement agency or insurance organization engaged in automobile loss prevention release information in its possession resulting from an investigation conducted by it pertaining to such comprehensive loss, including information as such agency or organization deems related to its investigation. Should a central organization or the insurer be of the opinion that the loss was caused by any criminal or fraudulent act of any person or organization, or that an improper action occurred in the disposition of automobiles subject to the provisions of this section, it shall notify the appropriate law enforcement agency or insurance organization engaged in automobile loss prevention of that opinion, and it shall notify the department of financial services or department of motor vehicles of any

improper action of their respective licensees or registrants.

(2) Any information or evidence furnished pursuant to this subsection shall be held in confidence by the appropriate agency or insurance organization engaged in automobile loss prevention, until such information is required to be released pursuant to a criminal proceeding, or if such agency or organization shall be served a summons or subpoena to testify as to any information or evidence in its possession regarding such automobile comprehensive loss in any civil action where an insured or other person is seeking recovery under a policy against an insurer for such loss.