

Shop Tip # 54 Customer letter

Page 1 of 2

Dear Customer, we are required by the California Bureau of Automotive Repair to display the notice shown in bold print at the bottom of our repair estimate stating that all the repairs depicted in the estimate are in full compliance with section 3365 of the California Code of Regulations which require us to repair your vehicle in strict accordance with the vehicle manufacturer's repair specifications. These repair specifications most generally apply to the restoration of the vehicle safety systems built into your vehicle. Failure for us to repair your vehicle to meet these manufacturer repair specifications will result severe fines and possible revocation of our license.

Included in this estimate package are copies of the manufacturers repair specifications that are "REQUIRED or MUST" be done. Many insurance companies refuse to pay for these repairs arbitrarily stating they are "not necessary". These items cannot be removed from our estimate or adjusted under any circumstances. There may be other items on our estimate that are necessary to repair your vehicle properly that are removed or limited by your insurer because of policy limitations or exclusions which we will discuss and resolve with you.

When these issues become apparent we will bring them to your attention so you can resolve them with your insurer. We can assist you, but we cannot represent you. In order to help you challenge your insurer, we have listed some insurance codes that usually apply to the most common problem situations.

Listed below are condensed versions of the "CA.Fair Claim Settlement Practices Regulations"

- Section 2695.7 (b) (1)- When denying a first party claim in whole or in part, the insurer must do it in writing and list the factual and legal basis for the denial, Policy Provision, Condition, Exclusion, Statute, or Applicable law. The insurer must also explain how they are applying the policy provision in other words explanations such as "We don't pay for that" are not acceptable.
- 2695.8 (f)- In the top section of this provision, it states that "an estimate shall be of an amount that that will allow for repairs to be made "in accordance with good and workman like automotive repairs by an "auto body repair shop" as defined in section 9889.51 of the business and profession code , and in accordance with the standards of automotive repair required of auto body repair shops as described in the business and professions regulations including, but not limited to, Section 3365 of title 16 of the California Code of Regulations.
- 2695.8 (f)- The next section of this paragraph states " An insurer shall not prepare an estimate that deviates from the standards, costs, and/or guidelines used by the insurer to prepare an estimate". Simply put, they must use all sections of the estimating system being used as it is intended to be used.

- 2695.8 (f)-(3)- An insurer may "reasonably" adjust any written estimates prepared by the repair shop of the claimant's choice and provide a copy of the adjusted estimate **TO THE CLAIMANT AND THE CLAIMANT'S REPAIR SHOP.** The adjusted estimate provided to the claimant and repair shop shall be either an edited copy of the claimant's repair shop estimate or a supplemental estimate **BASED** on the itemized copy of the claimant's repair shop's estimate. **THE ADJUSTED ESTIMATE SHALL IDENTIFY THE SPECIFIC ADJUSTMENT MADE TO EACH ITEM AND THE COST ASSOCIATED WITH EACH ADJUSTMENT MADE TO THE CLAIMANT'S SHOP ESTIMATE.**

Although not spelled out in this regulation, all changes to the estimate should be explained to the claimant in writing in a manner understandable to the Claimant as required in section 2695.7 (b) (1). Also, you are the "Claimant" in the insurance code.

Last but not least, you may have to file a complaint with the Ca. Department of Insurance.

You can get a full text of the regulations we cited by Googling the "Ca. Fair Claims Settlement Practices Regulations" and the section you wish to read.

Attention: this document is general in nature and deals with various laws and regulations. It should not be considered as legal advice. It is recommended that you seek the advice of an attorney specializing in this area of law if you encounter a problem.