

SAMPLE LETTER: When repair cost will clearly exceed the value of the vehicle

When a customer's vehicle is delivered to your facility for repairs, and after you perform an inspection of the vehicle, you determine that due to the severity of the damage to the vehicle, the cost to repair the vehicle will clearly exceed the value of the vehicle. Therefore, you will not be doing a teardown of the vehicle, writing a damage estimate or repairing the vehicle.

It is important that you notify your customer and his/her insurer (if authorized) of this fact immediately in writing. (within 1-2 business days after the vehicle enters your shop). We have provided a sample letter for you to use in this situation

We strongly recommend that after you send this letter to the customer and the insurer (if authorized), that you do not succumb to the demands of the insurer insisting that you prepare a damage estimate on the vehicle for them. Doing so will have a negative effect on your ability to collect the proper storage amount.

BUSINESS and PROFESSIONS CODE 9884.9 (a) "Not Required To Repair"

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 the law if you encounter a problem.

THE LETTER

SHOP NAME ADDRESS PHONE # _____ Date & time _____

Customer name _____ Address _____ Phone _____ Business _____ Cell _____

Repair Order # _____ Insurer Name _____ Claim # _____

Vehicle Make _____ Year _____ Model _____ V.I.N. _____ Mileage _____ License # _____

Dear customer name, your vehicle was delivered to us, _____ Auto Body on DATE. We inspected your vehicle on DATE and determined that it is obvious that the cost to repair your vehicle will clearly exceed the value of the vehicle. Therefore, we will not be preparing an estimate to repair your vehicle.

Storage fees will be charged at a rate of \$\$\$ dollars per day starting DATE and will continue until the vehicle is removed from our premises. If the vehicle is not removed from our premises by Date (15 days from this notice). On this date, a lien will be filed on your vehicle in accordance with Civil Codes 3068, 3071 & 3072. Storage charges at a rate of \$\$\$ per day will continue until the vehicle is removed from our premises or we receive approval from the Ca. Department of Motor Vehicles to sell your vehicle.

NOTICE TO INSURER: IT IS A VIOLATION OF VEHICLE CODE 22524.5 TO ABANDON A VEHICLE ON OUR PREMISES.

Please send this notice to the insurance company responsible for your claim so they can arrange to move your vehicle to a storage free location.

Notes to shop:

Send to the customer via E-Mail so the customer can forward it to the insurer immediately.

You will be responsible for follow up with the customer to see that the vehicle is moved in a timely manner

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