

Shop Tip # 43 Assist the customer filing a complaint with the D.O.I. Revised (date)

Vehicle manufacturers build very sophisticated structural, electrical and suspension systems into their vehicles that are designed to protect the passengers in the vehicle from injury in the event of a collision or upset. They also provide the auto body repairer with very specific repair specifications that are designed to preserve the structural integrity and safety systems that are built into the vehicle.

The state of California has promulgated regulations through the California Bureau of Automotive Repairs that require auto body repair shops to repair these vehicles in accordance with the vehicle manufacturers service specifications. (CCR 3365(A).

The State of California has also promulgated regulations through the Department of Insurance that require insurers to pay, on behalf of their insureds and third-party claimants, for auto body shops to repair their vehicles in accordance with vehicle manufacturers repair specifications. (Ca. Fair Claim Practices Regulations 2695.8 (F).

Recent Bureau of Automotive repair changes to section 3353-(d)- (1) of the Ca. Code of Regulations requires you to, prior to obtaining a repair authorization from the customer, notify the customer that the "Bill Payor Insurer" has approved a repair amount that is at variance with your estimated repair amount. You must notify your customer what the "OUT OF POCKET COST" will be to Him / Her at this time.

When You send the first "Blueprinted Repair Plan Estimate" to the customer for him / her to forward to the "Bill payor Insurer", you do not know the amount the "Bill Payor Insurer" will approve at this time. Section 3353-(d)-(2) of the Ca. code of regulations requires you to add the following statement at the bottom of your estimate:

“This estimate is for repairs to meet the manufacturer and industry standards. As the customer, it is your responsibility to contact the third-party payor for approval of repairs you have authorized”. This puts the customer on notice that He / She must be an active participant in the processing of their claim. to assist you , you may want to consider giving your customer a copy of the sample letter in Shop Tip # 54

This would be the appropriate time to discuss several issues with your customer :

- The customer will now have to get involved and may have to complain to their insurer's management.
- You may not be able to repair their vehicle if the variance deals with manufacturer repair requirements and your customer refuses to pay the difference.
- you may not be able to repair their vehicle if the overall variance is excessive and the customer refuses to pay the difference.

However, if your customer is willing to pay the difference and Intends to file a complaint with the department of insurance or a small claim court action, you can help them within certain limits.

- You cannot be designated to represent the customer with the insurance company. You are not an attorney, insurance adjuster, public adjuster, family member or a Conservator.
- You should provide the customer with a second copy of the estimate or final bill that you marked so it can be used to identify the items on the estimate that were not paid.
- you should provide the customer with all manufacturer repair requirement documents referenced to the item number on the estimate or final bill.
- you should provide the customer a complete e-mail tree of all communications you had with the insurer and the customer.

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- The customer will have to pay the “out of pocket” costs before he / she files the complaint with the D.O.I. or small claim court action

Page 4 will illustrate some examples of how a customer can formulate their complaint or small claim action.

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 you seek the advice of an attorney specializing in this area of the law if you encounter a problem.

Dear Customer, This page may help you prepare your complaint about the handling of your claim by an insurer responsible for indemnifying your claim.

The complaint agents at the Department of Insurance must have detailed information about the complaint in order to properly investigate the complaint. They are not auto body specialists so the complaint usually has a better result when the item at issue is connected to a specific regulation.

It may make this task a little easier if you googled the following laws & regulations before starting:

- California Fair claims settlement practices regulations.
- California insurance codes 758 (c), 2698.91, 2695.81
- California code of regulations 3365
- Vehicle code 22524.5

EXAMPLE

Codes involved: CCR 3365, Ins. codes, 2695.7-b-1, 2695.8-f, 2695.8 f-3

Line 5 on the estimate...Insurer denied mfg. required removal of steering column and inspection of seat belt tensioners without explanation \$\$\$\$...see exhibit #1 for details

Line 10 on the estimate...Insurer denied mfg. required calibration without explanation \$\$\$\$ see exhibit #2 for details

EXAMPLE

Line 30 on the estimate...The insurer refused to pay the shop's labor rate \$\$\$\$.

This insurer does not have a labor rate survey. In a 2004 letter to Jack Molodanof, Mr. Tony Cignarale clearly states on page 3 that "when an insurer has not conducted any survey, it has no basis upon which to adjust an estimate from the claimant's chosen shop and must pay the shop's rate." Nothing has changed in law or regulation since the letter was written

EXAMPLE

Vehicle code 22524.5 & Insurance code 2695.8 (k)

My insurer delayed determining my vehicle a total loss for two weeks and is deducting the storage charges from my total loss settlement. \$\$\$\$

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