

Shop Tip # 54 - New B.A.R. Estimate Requirements Effective July 1, 2025

The California Bureau of automotive repairs has adopted several new regulations that become effective on July 1, 2025. We will address these changes in order of their importance.

**3303 - DEFINITIONS:**

For the Auto Body industry, the term "Third-party payor" is the insurance company paying the bill on behalf of your customer.

**3352 - Definitions:**

**(b) "Specific job"** Your estimate must use terms that a customer without professional or specialized knowledge would understand. Most auto body data bases have a legend that explains most common terms such as R&I, R&R etc. However, Estimators must be careful not to use their own shortened terminology such as this example:

- "FPB" repaired area instead of "Feather edge, Prime, and Block sand repaired area"

**3353 (b)-(1) Estimate/Work Order Requirements.**

(1) This section is long and complicated but the solution to this section is very simple. **An Auto Repair Dealer should not use a "VISUAL DAMAGE ASSESSMENT (ESTIMATE) prepared by or for an insurer to repair a vehicle! ALWAYS WRITE YOUR OWN ESTIMATE!** See shop tip # 49 "Visual Damage Assessments, Free Estimates, Blueprinted repair plans & Supplements" for more information.

**3353 (d) Accepting Payment From A Third Party Payor:**

This section initially appears complicated, however when it's broken down, it's quite simple. It states as follows **"If an automotive dealer will be accepting payment for repairs from a third party payor, the automotive repair dealer shall, prior to obtaining authorization from the customer, do one of the following:**

**PLEASE READ SHOP TIP #49 BEFORE CONTINUING TO READ THIS SECTION**

**"WHEN DO YOU "NOT KNOW" THE AMOUNT A THIRD PARTY PAYOR HAS APPROVED"**

- When you provide your customer a "FREE ESTIMATE" and no third party payor estimate exists.
- When a customer presents you with a "VISUAL DAMAGE ASSESSMENT" prepared by or for the third Party payor that is insufficient to repair the vehicle in a "workman like manner" and you proceed with a teardown and prepare your own "Blueprint repair plan" estimate for repairing the vehicle.
- When a customer's vehicle is left at your shop for a Tear Down, Estimate and Repairs And you submit the "Blueprint repair plan" estimate to the customer & third party payor for approval. At this time, the third party payor has not approved the amount they are willing to pay.

In these situations, you must add the following statement on your estimate:

**"THIS ESTIMATE IS FOR REPAIRS TO MEET VEHICLE MANUFACTURER AND INDUSTRY STANDARDS. AS THE CUSTOMER, IT IS YOUR RESPONSIBILITY TO CONTACT THE THIRD PARTY PAYOR FOR APPROVAL OF PAYMENT FOR THE REPAIRS YOU HAVE AUTHORIZED OR MAY AUTHORIZE."**

**WHEN DO YOU "KNOW" THE AMOUNT A THIRD PAYOR HAS APPROVED**

- When your customer presents you with a third party payor revision of your "FREE ESTIMATE" With an approved amount.
- When a third party payor submits to your customer and you an adjusted revision to your "BLUEPRINTED REPAIR PLAN" and you are rejecting the third party payor's revisions.

When the amount the third party payor has been approved, and the amount the third party payor approved is at variance with your estimated repair amount, you must notify your customer what the "OUT OF POCKET COST" will be to them on the estimate.

We suggest you include the notification shown above in large bold print on ALL your estimates and follow up response estimates that you submit to your customer and their third party payor and cite the following insurance code sections 2695.7 (b-1) and 2695.8 (f) of the California Fair Claim Practices Regulations in the statement.

We will provide a hand out of the codes that you can provide to your customers so they can intelligently argue their position with their third party payor.

**3353 (e) SEPARATE INVOICE FOR TOWING CHARGES:**

This will change a common practice now in place in the auto body industry:

- When a customer has their vehicle towed to your facility, or your Customer or insurer (DRP) request You to arrange to have a vehicle towed to your facility for repairs and you pay the bill, you will not be Able to simply add those "ADVANCE CHARGES" as a line item on your estimate. You will now be required to prepare a separate invoice for those charges.

Your invoice would be required to include all the normal identifiers but could be as simple as "ADVANCE TOWING AND STORAGE CHARGES" \$ \_\_\_\_\_ with your mark-up included.

There is no requirement that towing charges related to sublet repairs be on a separate invoice.

**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.**