

STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont Street, 21st Floor
San Francisco, California 94105

DRAFT TEXT

REGULATION FILE: REG-2011-00024
Steering

Note: Proposed additions to the current text of regulations are in underlined text and proposed deletions to the current text of regulations are reflected in ~~strikeout text~~.

Title 10, Chapter 5, Subchapter 7.5, Article 1

Amend FCSPRs section 2695.8(e) as follows:

(e) No insurer shall:

(1) require that an automobile be repaired at a specific repair shop; or,

(2) after a claimant has chosen an automotive repair dealer, suggest or recommend that an automobile be repaired at a specific repair shop(s), unless all of the requirements set forth in California Insurance Code Section 758.5 have been met, except when a referral is expressly requested by the claimant. For purposes of California Insurance Code Section 758.5 and this subsection,, a claimant has chosen an automotive repair dealer when the claimant has specified to the insurer a specific automotive repair dealer registered with the Bureau of Automotive Repair pursuant to sections 9884 and 9889.52 of the Business and Professions Code which he or she wishes to repair the vehicle. For purposes of California Insurance Code Section 758.5 and this subsection, "suggest or recommend" means that the insurer has communicated the name or names of one or more automotive repair dealers, has requested that the claimant choose a shop that is different than the shop chosen by the claimant, or communicates any information to the claimant which is relevant only to the choice of the automotive repair dealer. The insurer shall not communicate false, deceptive, or misleading information to the claimant, including, but not limited to;

A. Advising the claimant that the claim payment will be reduced by a lower labor rate, when the insurer has not conducted an Auto Body Repair Rate Survey, compliant with CCR Section 2698.92;

B. Advising the claimant that an inspection of the vehicle will occur at a date that is later than the reasonable time necessary to inspect the damaged vehicle, as referenced in paragraph (3) of this section.

C. Advising the claimant that the automobile repair dealer chosen by the claimant has a record of poor service or poor repair quality, or of other similar allegations against the dealer, without clear documentation in the claim file supporting these statements.

D. Requesting or requiring that the claimant have the vehicle inspected at or by an automobile repair dealer where the insurer has a Direct Repair Program or by any other automobile repair dealer identified by the insurer, after the claimant has chosen an automobile repair dealer.

(3) require a claimant to travel an unreasonable distance or wait an unreasonable period to either to inspect a replacement automobile, to conduct an inspection of the vehicle, to obtain a repair estimate, or to have the automobile repaired at a specific repair shop. For purposes of this section, an insurer shall inspect the damaged vehicle within seven (7) business days after receiving the notice of loss, provided the vehicle is made available for inspection. For purposes of this section, an unreasonable distance shall be no more than thirty (30) miles from the claimant's residence, unless the nearest repair shop is further than this distance.