

# **Car Accident Claim Tips - A Practical Guide To Auto Claims**

When you get in an accident, what should you do? The first steps are easy: move your car to the side of the road, make sure everyone is okay, call 911, take pictures of the vehicles, exchange information with the other party and call your insurance company. But what do you do when the insurance company calls you?

## **Dealing with your insurance company**

Many times, the first person who will call you is a claims adjuster. This person works for your insurance company. It may be a “staff adjuster” employed by your insurance company, or it may be an “independent” adjuster. (An independent adjuster works for a private company, but has been hired by the insurance company.) They are going to ask you a series of questions, generally in this order:

1. Where is your car located
2. Is your car damaged?
3. What happened in the accident?
4. Was anyone hurt?

They want to know where your car is located to make sure that it is not accruing storage charges from a tow shop. If it is, they will ask you to call the tow shop and authorize the vehicle to be released. Most insurance companies will then move your car to one of their preferred body shops. If your car is at a tow yard, you should release it to your insurance company. Let them move it. This is not a battle to fight.

They then want to know if your car was damaged, and generally where the damage is located. You do not need to speak in auto terms — just tell them “driver’s side,” “passenger’s side,” “front,” “back,” etc... If the car is seriously damaged, let them know. If the damage is minor, let them know that as well.

When they ask you what happened in the accident, they may ask you for a recorded statement. You are

NOT required to allow them to record your statement. Your policy requires that you cooperate with your insurance company but there is nothing in most policies that requires you to give a recorded statement. Answer their questions but do not give them a recorded statement at this time. Tell them what you know, and if you are still shaken, tell them that you want a day or two to settle down, and then talk to them.

You should let them know if anyone was hurt. You may have medical payments (med pay) coverage that will pay any bills you incur for injuries you sustain. They also need to know if anyone else was hurt. Tell them what you know, and if you are not sure if you are hurt, tell them that as well.

## Repairing Your Car

The insurance company is going to recommend one of their preferred shops. They have arrangements with shops that will do some of the work (such as photographing your car) for the insurance company. You are not required to go to one of their shops. You can go to any shop you choose. There are some very good shops that are preferred vendors for some insurance companies. There are also some very bad shops. You should never go to a shop unless you can get a personal recommendation from a friend, reliable contact or family member. When you determine where you want the car fixed, tell the insurance company and the adjuster will reach an agreed price with the shop. This is the price that the insurance company agrees to pay, and the shop agrees to accept. You should not be charged anything other than your deductible.

The parts your car was manufactured with are known as Original Equipment (from) Manufacturer, or "OEM". The insurance company may write an estimate using pricing for aftermarket (sometimes called "crash" or "non-OEM") parts. There has been a lot of debate as to whether these parts are as good or reliable as original equipment manufacturer parts. If your selected body shop agrees and in most cases, non-OEM parts will be fine, but if they recommend OEM parts or if you have a high end vehicle you should demand that your insurer cover the cost of repairs with OEM parts only. Support for your position can come from the basic principles that insurance is designed to put you back as close as possible to the same position you were in before a loss and "like kind and quality" has traditionally been the standard for replacement.

The insurance company may also want to put on used parts. These are parts that can be bought at an

auto recycler from another car that was damaged. These parts are usually OEM parts and are a good replacement if your car is damaged. If your choice is between good condition used parts from an auto recycler or non-OEM parts, choose the former.

You may also be entitled to a rental vehicle. (For tips on properly insuring a rental car read UP's tips from our [Fall 2005 newsletter](#)) Your policy will pay a maximum, usually \$20 or \$25 per day for the rental vehicle. You will be responsible for all extra charges. Call around and find the best deal for a rental car. You do not have to go with the insurer's recommended rental car company.

## Resolving Your Injury Claim

If you are injured in an accident, you are entitled to recover the reasonable value of your medical bills, your lost wages and a reasonable value for your pain and suffering. Despite what you may read on the internet, there is no formula for calculating this amount. Each case has its own value. Determining what your case is worth takes experience, and you probably want to consult with an attorney.

If you decide to go it alone, remember that you have two years from the date of the accident to either settle your case or file a lawsuit. The adjuster cannot extend this time for you — even if they agree to extend it. You must settle or file a lawsuit, period.

Some adjusters will tell you that their computer gave them a value. Do not listen to them. Their software, generally Colossus, cannot figure out what a case is worth. It determines value based on what they input. Since you do not know what they input, you cannot trust the outcome. Therefore, you should not accept this amount.

Other adjusters will “drop draft” you. This means that they send you a check, usually for \$500, and a release. They ask you to sign it, deposit the check, and mail the release back to them. Do not accept this. Adjusters do not drop draft you for the full value of your case. They only drop draft when they are trying to settle a case for less than it is worth. If you receive a check in the mail from the insurance company, that should be a sign that you need legal representation.

## Conclusion

When you are in an auto accident, the insurance adjuster may try different tactics with you. Most of these tactics have the same goal — saving the insurance company money. The insurance adjuster is not your friend, although the good ones will make you think they are. While these tips do not cover every circumstance, they will give you enough of a start to make the adjuster know that you have an idea of how the system works. That alone will help you with your claim.

This article was written at UP's request by Elk Grove, CA. attorney and C.P.C.U. society member Jonathan G. Stein. Jonathan worked for many years in the insurance industry before "switching sides." He now represents policyholders in claim dispute. His website and articles are recommended reading.

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a. CPCU is an insurance education designation earned by completing coursework and a series of examinations. b. Editor's note: If the damage to your car is very slight, (no physical injuries) and you are determined to negotiate a cash settlement with the other party to avoid filing a claim, make sure to execute a signed and enforceable mutual release. You are contractually obligated to notify your insurer of even a potential claim so the insurer can timely investigate. Physical injury claims may arise later, but you may forfeit coverage for claims related to the accident if you have failed to notify your insurer about the accident.