

# CONSUMER GUIDE TO



# INSURANCE AND AUTO BODY REPAIR



This guide is meant to provide guidance and suggestions only. It does not provide legal advice or legal opinions nor replace the benefit of legal consultation with a private attorney or other expert.



## KNOW WHAT YOUR POLICY COVERS

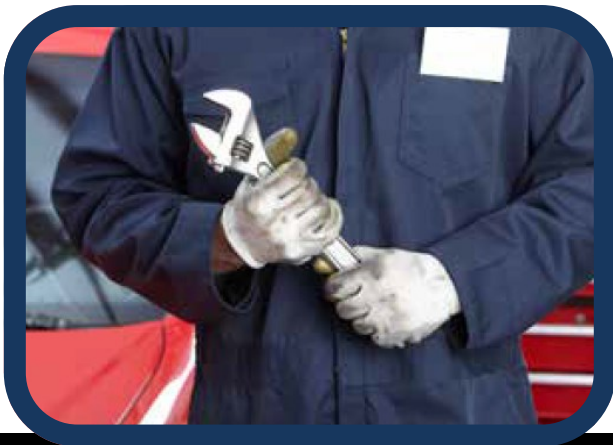
Whenever you purchase new car insurance or renew existing coverage, know what your policy covers. Pay careful attention to rental car coverage, the type of parts that are covered under your policy (original equipment manufacturer parts or non-original equipment manufacturer parts), diminished value, and what type of warranty, if any, your insurer provides.

**Please remember this is *your vehicle* being repaired with *your insurance* (or a third party's insurance company if someone else caused the accident), and you have rights and decisions in having your vehicle repaired. Make sure you are informed of your rights before, during and after the repair process.**

# RIGHT TO CHOOSE BODY REPAIR SHOP

YOU HAVE THE RIGHT TO SELECT THE REPAIR FACILITY THAT YOU WANT TO USE AND TO PARTICIPATE IN THE DECISIONS REGARDING THE REPAIR OF YOUR VEHICLE. *IN MAKING THIS CHOICE, YOU SHOULD LOOK INTO THE SHOP'S REPUTATION AND QUALITY OF REPAIR.*

- Under Mississippi law, an insurance company may not tell you where you must have your repairs made.
- An insurance company can recommend and describe a repair facility where they have a relationship, but they cannot refuse to pay a claim because the repairs were made at a particular repair facility.
- The most an insurance company is required to pay for the repair is the lowest amount that your vehicle could be properly repaired by an auto body repair shop within a reasonable geographical or trade area.
- The cheapest estimate of repair cost does not always include all procedures and parts necessary to properly repair the vehicle.
- In the past few years, technology has vastly changed car design and repair. Consequently, auto body repair shops have had to train their workers to become certified technicians for certain newer model cars and to invest in expensive computers and tools in order to make these repairs.
- These new technologies and training may be necessary to make a proper repair, and shops with certified technicians, modern tools and technology may charge more than shops without these technologies. Depending on the year, model and make of your vehicle, you should make sure these considerations are part of your discussions with the insurance company when choosing a shop.
- You may choose an auto body repair shop for any reason that is important to you. However, make sure the shop's employees are trained to repair your particular make, model, and type of repair required.
- Get a detailed estimate beforehand and ask about written warranties.
- Ask questions about costs and fees up front, before authorizing repair work.





## PROPER REPAIR

You have the right to expect that the insurance company will pay for proper repair procedures according to Mississippi state law and the terms of your insurance policy. The damage that may be covered and what may be provided are defined in the policy. Policies often refer to the actual cash value of the property immediately prior to the loss or the amount necessary to properly repair the damage.

A proper repair is performed pursuant to the original equipment manufacturers' ("OEM") repair procedures and using OEM or OEM equivalent parts that have been properly tested pursuant to or meet the manufacturers' specifications. It is the duty of your insurance company (or the third party's insurance company) to pay for a proper repair. It is the auto body repair shop's responsibility to make the proper repair.

Most auto body repair shops provide a repair warranty, but check the terms and duration. Your insurance company may provide a warranty if you go to a certain shop. Find out whether this warranty is in addition to the warranty provided by the shop or is really referring to the same warranty.

# PRE-REPAIR CONSIDERATIONS

*Determine the amount of out-of-pocket costs before repairs begin. This could include an insurance deductible and non-covered costs (such as a rental car if not provided by your policy).*

Before the auto body repair shop begins your repair and before you sign an “authorization of repair” or “direction of payment,” make sure you have a good understanding by at least asking the following questions:

1. Ask the shop about the repair process for your vehicle and how those compare to manufacturer guidelines for those procedures,
2. Ask what storage, administrative, and diagnostic fees you may have to pay out of pocket if any, when those apply, and what the administrative costs include, and
3. Confirm that the shop and the auto insurance company agree on the cost, parts, and steps of the repair before the repair begins.

**If additional damage is discovered, shops can give supplemental estimates to the insurance company explaining the additional costs. However, if they disagree, it may cause a delay in repairs, and a shop could possibly refuse to release the vehicle until the full amount is paid.**

**Your insurance policy may include an appraisal clause for instances in which you disagree with the insurance company’s estimate of repairs. Review the appraisal clause in your policy to know how it works before using. These clauses usually allow you and the insurance company to obtain independent estimates although you may be required to pay for one of those as well as for the umpire.**

# TYPES OF PARTS USED IN REPAIR

*Under federal law, a part may not be used if it will make safety systems and elements of the vehicle, which are regulated by Federal Motor Vehicle Safety Standards, inoperable. You have the right to expect that parts replaced will operate and fit correctly and that the portions of the vehicle damaged in the accident will function correctly after the repair.*

## PARTS ARE CLASSIFIED AS:

### **New Parts**

Generally, these parts are made to original manufacturer's specifications, either by:

- The Original Equipment Manufacturer (OEM) or
- An aftermarket independent company

### **Remanufactured, Rebuilt and Reconditioned Parts**

These terms basically mean the same thing: parts should have been restored to a sound working condition. Many manufacturers offer a warranty covering replacement parts but not the labor to install them.

### **Salvage or Recycled Parts**

These parts are used and taken from another similar vehicle without any changes. Salvage parts may be the only source for certain items, though their reliability is seldom guaranteed.

**You have the right to decide what type of part is used if your vehicle needs them replaced due to the accident. By law, if non-OEM parts are used, it must be listed on your estimate.**

**Your auto insurance policy may only pay for used or non-OEM parts where those parts would properly repair the vehicle. If you choose new Original Equipment Manufacturer (OEM) parts in this instance, you may have to pay out of pocket.**

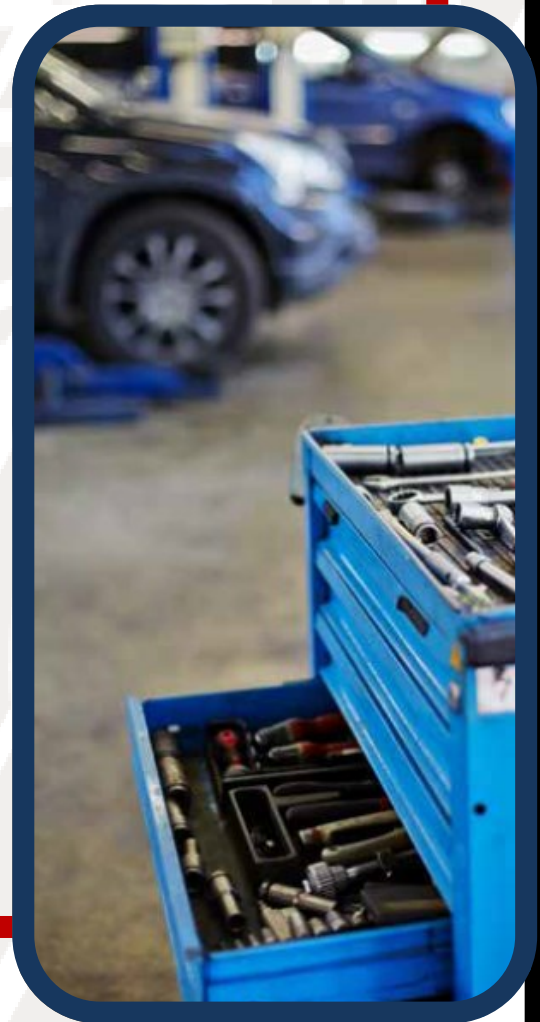
**Prices and quality of parts vary. If a part does not fit or work properly, then other parts may be necessary at additional cost to you or the insurance company.**

# AFTER THE REPAIR

***After the repair is complete and ideally before leaving the auto body repair shop, inspect your vehicle and confirm that the damage caused by the accident has been repaired, possibly including whether:***

- The gaps between the body panels are the same,
- The distance from tire to fender is the same on each side,
- The doors, hood and deck lid open and close smoothly,
- The headlights and brake lights work and are even,
- All electronic accessories work,
- Freshly painted areas match color in a variety of lighting,
- No warning lights are on,
- When you start your vehicle, listen for any unusual noises and test the feel and operation of your vehicle, checking that the vehicle is aligned properly, that the steering wheel drives straight, and that the brakes work properly.

**If you believe anything is wrong, return the vehicle to the repair facility immediately and inform them of the issues you are experiencing. \*Keep all paperwork regarding the repair, particularly any information about warranties.**



# ADDITIONAL RESOURCES

To learn more about auto insurance or diminished value claims, to find out if complaints have been filed regarding auto insurance companies, or to file a complaint, go to

[www.mid.ms.gov/consumers/auto-insurance.aspx](http://www.mid.ms.gov/consumers/auto-insurance.aspx).

To find out if complaints have been filed regarding auto body repair shops or to file a complaint, go to [www.agjimhood.com](http://www.agjimhood.com) or call 601-359-4230. The Better Business Bureau may also have information at [www.bbb.org/mississippi/](http://www.bbb.org/mississippi/).

To learn more about protecting yourself and your vehicle, go to [www.consumer.ftc.gov/articles/0211-auto-repair-basics](http://www.consumer.ftc.gov/articles/0211-auto-repair-basics) and [www.i-car.com/](http://www.i-car.com/).

To learn more about auto repair training and references, go to [www.i-car.com/](http://www.i-car.com/).

To learn more about manufacturer recommendations, go to [www.crashrepairinfo.com/](http://www.crashrepairinfo.com/) or [www.oem1stop.com/](http://www.oem1stop.com/).

*THIS DOCUMENT DOES NOT CREATE OBLIGATIONS BEYOND CURRENT STATE AND FEDERAL LAW.*

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