

STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
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Sacramento, CA 95814

FINAL TEXT OF REGULATION

Anti-Steering in Auto Body Repairs

Date: November 9, 2016

CDI Regulation File: REG-2015-00015

Title 10, Chapter 5, Subchapter 7.5, Article 1  
Fair Claims Settlement Practices Regulations

**Amend Subdivision (e) of Section 2695.8. Additional Standards Applicable to Automobile Insurance.**

(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 shop, suggest or recommend that an automobile be repaired at a the claimant select a different specific repair shop, except as permitted by unless all of the requirements set forth in California Insurance Code section 758.5 have been met. For purposes of California Insurance Code section 758.5 and this section, a claimant has chosen an automotive repair shop when the claimant has specified to the insurer a specific automotive repair shop where he or she wishes to repair the vehicle. For purposes of this section, "automotive repair shop" or "repair shop" means an automotive repair dealer, as defined in Section 9880.1 of the Business and Professions Code, registered with, or licensed by, the Bureau of Automotive Repair as an auto body and/or paint shop.
- (3) communicate false, deceptive, or misleading information to the claimant, including, but not limited to:
  - (A) Advising the claimant that an inspection of the vehicle will occur at a date that is later than required by subdivision (e)(4) of this Section 2695.8.
  - (B) Making a statement to the claimant to the effect that the automotive repair shop chosen by the claimant has a record of poor service or poor repair quality, or making any other statement to the claimant with respect to the chosen repair shop, if the statement is known to be, or should by the exercise of reasonable care be known to be, untrue, deceptive or misleading.
  - (C) Advising the claimant that the automotive repair shop chosen by the claimant has a record of poor service or poor repair quality, or of other

similar allegations against the repair shop, solely on the basis of the shop's participation or nonparticipation in a labor rate survey.

~~(3)~~ (4) require a claimant to travel an unreasonable distance or wait an unreasonable period of time either to inspect a replacement automobile, to conduct an inspection of the claimant's vehicle, to obtain a repair estimate, or to have the automobile repaired at a specific repair shop.

(A) In the case of both first-party and third-party claims: For purposes of this section, an unreasonable distance shall be, for cities or urban areas with a population of 100,000 or higher, more than fifteen (15) miles, and for all other areas of the state, more than twenty-five (25) miles, from the location where the vehicle is located and made available for inspection by the claimant.

(B) In the case of first-party claims only:

1. Initial inspection. Except as provided in Subdivision (e)(4)(B)2. or (e)(4)(B)3. of this section, if an insurer chooses to exercise its right to inspect the damaged vehicle, the insurer shall within six (6) business days after receiving the notice of claim:

a. request of the claimant that he or she make the vehicle available for inspection by the insurer, and

b. provided the claimant makes the vehicle reasonably available for inspection, inspect the damaged vehicle.

2. Inspections and re-inspections in response to requests for supplemental estimates. Subdivision (e)(4)(B)1. of this section notwithstanding, and except as provided in Subdivision (e)(4)(B)3. of this section, if in response to a request for a supplemental estimate an insurer chooses to exercise its right to inspect or re-inspect the damaged vehicle, the insurer shall within six (6) business days after receiving the request for a supplemental estimate:

a. request of the claimant that he or she make the vehicle available for inspection or re-inspection by the insurer, and

b. provided the claimant makes the vehicle reasonably available for inspection or re-inspection, inspect or re-inspect the damaged vehicle.

3. Photographs or estimates in lieu of inspection or re-inspection; inspections and re-inspections upon receipt of photographs or

estimates. If the insurer requests from the claimant photographs of the damaged vehicle, or an estimate of repairs, in lieu of a physical inspection, such a request must be made within three (3) business days after the insurer's receipt of the notice of claim or request for a supplemental estimate and shall include notification to the claimant that, upon receipt of the photographs or estimate, the insurer may elect to inspect or re-inspect the vehicle. Subdivisions (e)(4)(B)1. and (e)(4)(B)2. of this section notwithstanding, if, after receiving the photographs or estimate of repairs from the claimant in response to a request pursuant to the immediately preceding sentence, the insurer subsequently elects to inspect or re-inspect the vehicle, the insurer shall within six (6) business days following its receipt of the photographs or estimate:

a. request of the claimant that he or she make the vehicle available for inspection or re-inspection by the insurer, and

b. provided the claimant makes the vehicle reasonably available for inspection or re-inspection, inspect or re-inspect the damaged vehicle.

(C) In the case of third-party claims only: The provisions of Subdivision (e)(4)(B) above notwithstanding, should an insurer exercise its right to inspect or re-inspect the damaged vehicle, the insurer shall within six (6) business days from the time the insurer decides to inspect or re-inspect the third-party claimant's vehicle:

1. request of the third-party claimant that he or she make the vehicle available for inspection or re-inspection by the insurer, and

2. provided the third-party claimant makes the vehicle reasonably available for inspection or re-inspection by the insurer, inspect or re-inspect the damaged vehicle.

(D) In the event that the first-party claimant or third-party claimant fails to make the damaged vehicle reasonably available for inspection or re-inspection during the six-day period specified in Subdivision (e)(4)(B)1., (e)(4)(B)2., (e)(4)(B)3. or (e)(4)(C) of this section, the insurer shall in each case inspect or re-inspect the damaged vehicle as soon after the end of that six-day period as is reasonable.

(E) For purposes of this Subdivision (e)(4):

1. Requests made of a claimant may be directed to the claimant or, where the claimant has chosen an automotive repair shop, to the automotive repair shop chosen by such claimant.

2. A claimant makes the damaged vehicle reasonably available for inspection or re-inspection by the insurer when either the claimant or the automotive repair shop chosen by the claimant makes the vehicle reasonably available for inspection or re-inspection by the insurer.

3. A claimant fails to make the vehicle reasonably available for inspection or re-inspection by the insurer when neither the claimant nor the automotive repair shop chosen by the claimant makes the vehicle reasonably available for inspection or re-inspection by the insurer.

(5) after the claimant has chosen an automotive repair shop, require that the claimant have the vehicle inspected at or by an automotive repair shop where the insurer has a Direct Repair Program, or at or by any other automotive repair shop identified by the insurer.

Note: Authority cited: Sections 790.10, 12921 and 12926, Insurance Code; Section 3333, Civil Code; and ~~Sections 11152 and 11342.2, Government Code~~. Reference: Sections 758.5 and 790.03, Insurance Code; and Section 9875.1, Business and Professions Code.