



July 26, 2017

Dave Edwards
Chief, Claim Services Bureau Division
Department of Insurance
Consumer Services & Market Conduct Branch
Claim Services Bureau
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Los Angeles, CA 90013

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Dear Mr. Edwards:

Enclosed please find the attached Farmers Insurance Exchange, Mid-Century Insurance Company, Farmers Specialty Insurance Company, 21st Century Insurance Company, 21st Century Casualty Company, Coast National Insurance Company, Foremost Insurance Company, Foremost Signature Insurance Company, Truck Insurance Exchange Labor Rate submission for the geographic territory as the state of California (as defined in subdivision (d)(8)(A)4). We are submitting to you for filing as required by California Insurance Code (CIC) Section 758(C) and Section 2698.91 of the California Code of Regulations.

The prevailing auto body rate was determined and set for each geographic area surveyed for the state of California with the intent to comply with the standards and requirements set forth in subdivision (d) of Section 2695.81 (i.e., a "Standardized Labor Rate Survey") and to be used pursuant to subdivision (e) of Section 2695.81, the prevailing auto body rate for each type of labor listed in subdivisions (d)(8)(A)3.a. through (d)(8)(A)3.h. of Section 2695.81 determined and set by the Farmers Insurance Exchange, Mid-Century Insurance Company, Farmers Specialty Insurance Company, 21st Century Insurance Company, 21st Century Casualty Company, Coast National Insurance Company, Foremost Insurance Company, Foremost Signature Insurance Company, Truck Insurance Exchange for each Geographic Area (as defined in subdivision (d)(8)(A)4. of Section 2695.81) surveyed, the prevailing auto body rate or prevailing rate was calculated as the labor rate at or below which a simple majority (as defined in subdivision (d)(5) of Section 2695.81) of surveyed shops charge in a specific geographic area, as defined in subdivision (d)(8)(A)4.

We attempted to survey all of the repair facilities and if Direct Repair Program facilities were included in the survey, they provided us with their door rate. Surveyed shops were not excluded (as defined 2695.91(4) in the case of a survey that is intended to comply with the standards and requirements set forth in subdivision (d) of Section 2695.81 (i.e., a "Standardized Labor Rate Survey") and to be used pursuant to subdivision (e) of Section 2695.81, the name of any shop excluded from the survey pursuant to subdivision (d)(2) of Section 2695.81, and any information the insurer has obtained indicating that the shop does not meet the standards set forth in subdivisions

(d)(3) and/or (d)(4) of Section 2695.81) from our standardized labor rate survey. However, where a the repair shop responded they did not have the equipment to meet the requirements (as defined only labor rates reported by auto body repair shops that meet each of the specific standards set forth in subdivision 2695.81(d) (4) (A) may be used in a standardized Labor Rate Survey) to perform specific repairs, we did not include the specific labor rates for the given labor rate category. We surveyed 6269 BAR registered repair shops of which 3418 body shops responded. We had 2851 BAR registered repair shops that did not respond which include dealership and mechanical only repair shops.

Please contact me if you have any additional questions.

Farmers Insurance Exchange

Sincerely,

A handwritten signature in cursive script that reads "Michele Lyons". The signature is written in dark ink and is positioned above the printed name and title.

Michele Lyons
Director of California Auto Claims



Collision Repair Facility Labor Rate Survey

We are conducting a survey of auto body repair labor rates for all auto body repair shops in your area and would appreciate your participation. This questionnaire should be completed by an authorized representative of the auto body repair facility to which it is addressed and returned to Farmers Insurance Exchange, Mid-Century Insurance Company, Farmers Specialty Insurance Company, 21st Century Insurance Company, 21st Century Casualty Company, Coast National Insurance Company, Foremost Insurance Company, Foremost Signature Insurance Company, Truck Insurance Exchange no later than March 31, 2017. If the information is not complete or is not received by March 31, 2017, the survey may be rejected. If you have questions when completing the survey, please contact us at (818) 874-2910. Thank you in advance for your participation in completing this questionnaire.

Failure to complete this questionnaire in full may result in its exclusion from the auto body labor rate survey filed with the California Department of Insurance. However, you are not required to complete this survey. If you choose not to complete this survey, or if your shop is not eligible to participate in this survey, please return it to us for our records. If you choose to not complete this survey, please check the following declination:

I decline to participate in this survey: _____

****If declining, please also complete the facility information below and fields in the "Declaration" section.**

Name of Repair Facility _____

Street Address _____
(Number and Street/P.O. Box Number) (City) (State) (Zip Code)

Phone Number _____ Fax Number _____

Question 1: Is your shop duly registered or licensed to perform auto body collision repairs by the California Bureau of Automotive Repair?

Yes _____ No _____ BAR #: _____

Question 2: Please mark either "Yes" or "No" as to whether your repair facility meets each of the below standards:

| Yes | No | Standard |
|-----|----|--|
| | | Meet all equipment requirements for auto body repair shops, as required by the Bureau of Automotive Repair and as described in California Code of Regulations, Title 16, Division 33, Chapter 1, Article 6, Section 3351.5, Equipment Requirements for Auto Body Repair Shops, and any amendments thereto. |
| | | Have proof of garage keeper's liability and workers' compensation insurance or equivalent. |
| | | Have electrical or hydraulic equipment capable of making simultaneous multiple body or structural pulls. |
| | | Have a spray booth that meets current federal, state and local requirements. |
| | | Have the ability to complete and verify four-wheel alignment through computer printout either from an in-house alignment system with at least one technician that is certified or qualified or utilize a qualified sublet provider. |
| | | Have the ability to remove and reinstall frame, suspension, engine and drive train components or use a qualified sublet provider. |
| | | Have the ability to evacuate, reclaim and recharge vehicles air conditioning system using EPA compliant in-house equipment and certified technicians or use a qualified sublet provider. |

| | |
|--|--|
| | Subscribe to a provider of structural specifications with periodic updates covering the vehicle structure for the make, model, and year of the vehicle(s) being repaired and wheel alignment specifications for the make, model, and year of the vehicle (s) being repaired. |
|--|--|

Question 3: Hourly Rate Charged - Please indicate the hourly rate charged by your facility for non-direct repair program or other non-discounted auto body repair work for each category of repair identified below:

Auto Body/Sheet Metal Labor Rate: \$_____per hr.

Refinish Labor Rate: \$_____per hr.

Refinish/Paint Materials Rate: \$_____per hr.

Structural Labor Rate: \$_____per hr.

Mechanical Labor Rate: \$_____per hr.

Frame Labor Rate: \$_____per hr.

Aluminum Repair Labor Rate: \$_____per hr.

Carbon Fiber Labor Rate: \$_____per hr.

Fiberglass Labor Rate: \$_____per hr.

Question 4: Does your repair shop have a contract or agreement with this insurer to perform repair work for a discounted rate or other consideration in exchange for referrals by the insurer?

Yes _____ No _____

If you answered YES to Question 4, you may not include discounted rates in your response to Question 3, above. Your response to Question 3 must only reflect the hourly rate charged by your facility for non-direct repair program or other non-discounted auto body repair work for each category of repair identified.

Question 5: Have equipment and certified employees needed to perform aluminum welding or repairs in accordance with OEM specifications. Yes _____ No _____

DECLARATION

By signing below, I declare that the information provided above is true and correct.

Signature: _____ Print Name: _____ Date: _____

Title: _____ Telephone: _____ Email (optional): _____

Please make a copy of this signed and completed questionnaire for your records and return to us utilizing one of the below methods:

Email: usw.LaborRateSurvey@farmersinsurance.com

Fax: (818) 874-2885, Attention: Vera Levy

Mail: Attention: Vera Levy
Farmers Insurance
31051 Agoura Road
Westlake Village, CA 91361