



What is Industry Standards ?

LET'S FIND OUT WHAT THE CALIFORNIA LAW SAYS.

BAR The Bureau of Automotive Repair

- ▶ In 1997, the California Bureau of Automotive Repair (BAR) adopted regulation CCR 3365 that defined trade standards for "good and workman like auto body and frame repairs" to include repair procedures including but not limited to the sectioning of component parts, **shall be performed in accordance with OEM** (manufacturer) service specifications or nationally distributed and periodically updated service specifications that are generally accepted by the auto body industry (such as I-Car) Failing to do so can end up with an auto body shop being involved in a business ending lawsuit. [See Seebachan vs. John Eagle](#). (Repair Driven news article.

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- ▶ Failing to do so can end up with an auto body shop being involved in a business ending lawsuit. [See Seebachan vs. John Eagle](#). (Repair Driven news article)

Take a
closer
look

A large, dark, semi-transparent sign with the word "Attention" in a bold, sans-serif font is the background. The sign is mounted on a metal pole. A bright yellow rectangular shape is in the top right corner.

Now that we are clear on what
BAR says let's look at what the
Department of Insurance of California
says.

Section 2695.8. Additional Standards Applicable to Automobile Insurance

(a) This section enumerates standards which apply to adjustment and settlement of automobile insurance claims.

(1) the words "automobile" and "vehicle" are used synonymously.

(b) In evaluating automobile total loss claims the following standards shall apply:

(1) The insurer may elect a cash settlement that shall be based upon the actual cost of a "comparable automobile" less any deductible provided in the policy. This cash settlement amount shall include all applicable taxes and one-time fees incident to transfer of evidence of ownership of a comparable automobile. This amount shall also include the license fee and other annual fees to be computed based upon the remaining term of the loss vehicle's current registration. This procedure shall apply whether or not a replacement automobile is purchased.

(3) require a claimant to travel an unreasonable distance 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.

(f) If a partial loss is settled on the basis of a written estimate prepared by or for the insurer, the insurer shall supply the claimant with a copy of the estimate upon which the settlement is based. The estimate prepared by or for the insurer shall be of an amount that will allow for repairs to be made in accordance with accepted trade standards for good and workmanlike automotive repairs by an "auto body repair shop" as defined in section 9889.51 of the Business and Professions Code, and in accordance with the standards of automotive repair required of auto body repair shops as described in the Business and Professions Code and associated regulations, including, but not limited to, Section 3365 of Title 16 of the California Code of Regulations. An insurer shall not prepare an estimate that deviates from the standards, costs, and/or guidelines provided by the third-party automobile collision repair estimating software used by the insurer to prepare the estimate, if such deviation would result in an estimate that would not allow for repairs to be made in accordance with accepted trade standards for good and workmanlike automotive repairs by an auto body repair shop, as described in this subdivision. If the claimant subsequently contends, based upon a written estimate that he or she obtains, that necessary repairs will exceed the written estimate prepared by or for the insurer, the insurer shall:

(1) pay the difference between the written estimate and a higher estimate obtained by the claimant; or,

(2) if requested by the claimant, promptly provide the claimant with the name of at least one repair shop that will make the repairs for the amount of the insurer's written estimate. The insurer shall cause the damaged vehicle to be restored to its condition prior to the loss at no additional cost to the claimant other than as stated in the policy or as otherwise allowed by law. The insurer shall maintain documentation of all such communications; or,

(3) reasonably adjust any written estimates prepared by the repair shop of the claimant's choice and provide a copy of the adjusted estimate to the claimant and the claimant's repair shop. The adjusted estimate provided to the claimant and repair shop shall be either an edited copy of the claimant's repair shop estimate or a supplemental estimate based on the itemized copy of the claimant's repair shop estimate. The adjusted estimate shall identify the specific adjustment made to each item and the cost associated with each adjustment made to the claimant's shop's estimate.

(g) No insurer shall require the use of non-original equipment manufacturer replacement crash parts in the repair of an automobile unless all of the following conditions are met:

(1) the parts are at least equal to the original equipment manufacturer parts in terms of kind, quality, safety, fit, and performance;

(2) the insurer specifying the use of non-original equipment manufacturer replacement crash parts shall pay the cost of any modifications to the parts that may become necessary to effect the repair;

(3) the insurer specifying the use of non-original equipment manufacturer replacement crash parts warrants that such parts are at least equal to the original equipment manufacturer parts in terms of kind, quality, safety, fit, and performance. The insurer must disclose in writing, in any estimate prepared by or for the insurer, the fact that it warrants that such parts are at least equal to the original equipment manufacturer parts in terms of kind, quality, safety, fit, and performance;

Section 2695.8. Additional Standards Applicable to Automobile Insurance





Let's take a closer look at the Fair Claims Settlement Practices Regulations 2695.8 (f)

- ▶ (f) If a partial loss is settled on the basis of a written estimate prepared by or for the insurer, the insurer shall supply the claimant with a copy of the estimate upon which the settlement is based.
- ▶ The estimate prepared by or for the insurer shall be of an amount that will allow for repairs to be made in accordance with accepted trade standards for good and workmanlike automotive repairs by an "auto body repair shop" as defined in section 9889.51 of the Business and Professions Code, and in accordance with the standards of automotive repair required of auto body repair shops as described in the Business and Professions Code and associated regulations, including, but not limited to, Section 3365 of Title 16 of the California Code of Regulations. An insurer shall not prepare an estimate that deviates from the standards, costs, and/or guidelines provided by the third-party automobile collision repair estimating software used by the insurer to prepare the estimate, if such deviation would result in an estimate that would not allow for repairs to be made in accordance with accepted trade standards for good and workmanlike automotive repairs by an auto body repair shop, as described in this sub-division.
- ▶ If the claimant subsequently contends, based upon a written estimate that he or she obtains, that necessary repairs will exceed the written estimate prepared by or for the insurer, the insurer shall:

The Department of Insurance of California mentions

- ▶ The estimate prepared by or for the insurer shall be of an amount that will allow for repairs to be made in accordance with accepted trade standards for good and workmanlike automotive repairs by an "auto body repair shop" as defined in section 9889.51 of the Business and Professions Code, and in accordance with the standards of automotive repair required of auto body repair shops as described in the Business and Professions Code and associated regulations, including, but not limited to, Section 3365 of Title 16 of the California Code of Regulations.



Both The (DOI)
Department of
Insurance of
California and
the (BAR)
Bureau of
Automotive
Repair

Tied to a regulation adopted since 1997 CCR 3365 that defined trade standards for "**good and workman like auto body and frame repairs**" to include repair procedures including but not limited to the sectioning of component parts, shall be performed in accordance with OEM (manufacturer) service specifications or nationally distributed and periodically updated service specifications that are generally accepted by the auto body industry (such as ICAR)

WHAT DOES I-CAR SAY ?

In October 2015 I-CAR best practices were recognized as industry-accepted specifications, in the absence of OEM repair procedures, by the state of California.

In July 2016 I-CAR published a document with title "Always follow vehicle maker procedures" stating "It is important to note that the procedures provided by the vehicle maker are service specifications, not recommendations."

"Always Follow Vehicle Maker Procedures"

A woman with short reddish hair, wearing a blue denim shirt and a large pearl necklace, has a wide-eyed, open-mouthed expression of surprise or excitement. She is pointing her right index finger upwards. The image is semi-transparent, with a dark grey overlay. A bright yellow-green rectangle is in the top right corner.

These are California's
"Industry Standards"