
STORAGE FEE REFERRALS



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BAR ADVISORY GROUP MEETING
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STORAGE FEES OUTREACH

- Since the passage of AB 2392 (Santiago, Chapter 434, statutes of 2018), BAR has provided guidance to the automotive collision industry on storage fees:
 - October 2018 BAG presentation - “Storage/Towing Fees and Lien Sales”
 - Spring 2019 Newsletter article – “Storage Fee and Lien Sales”
 - October 2021 public workshop on proposed storage fee regulations
 - PIFC Workgroup presentation in January and May 2022
 - APCIA/PIFC discussion in March 2022

STORAGE FEES RESPONSE

- In response to concerns from the insurance industry about ARD storage charges:
 - In January 2022, BAR created a dedicated email to respond to vehicle storage and fee issues from insurance companies.
 - When an insurance company is being charged storage and other fees that they do not believe are appropriate, they can submit a referral for review to the Bureau of Automotive Repair via email to ARDStorageReferrals@dca.ca.gov.

REVIEW PROCESS

- BAR's Centralized Complaints Unit (CCU) reviews the referral and any documents provided to determine the status of the subject vehicle:
 - Is the vehicle still at the ARD?
 - What fees were charged?
 - Were funds deducted from the consumer's claim?
 - CCU will also request additional documentation from the insurance company when needed

ARD CONTACT

- After the initial review process, CCU will:
 - Contact the repair facility to review and discuss the fees
 - Determine the appropriateness of the storage charges
 - Provide information relating to various laws and regulations
 - Make recommendations based on the finding to resolve the dispute

RESULTS OF STORAGE FEE REFERRALS (1 OF 2)

- Over 30 processed referrals to date
- 8 pending review or response
- 16 ARD storage fees reduced or eliminated including:
 - \$12,000 in storage fees (vehicle left at ARD for 60 days after total loss determination) reduced to \$1,200
 - \$19,000 reduced to \$9,000
 - \$49,500 reduced to \$2,500
 - \$22,000 reduced to \$4,115

RESULTS OF STORAGE FEE REFERRALS (2 OF 2)

- 25 ARDs educated on Business and Professions Code, provisions of Vehicle Code 22524.5, Civil Code 3068
- 10 ARDs referred to BAR Field Operations for further investigation
- 1 ARD refused to talk to BAR representative; referred to BAR Field Operations
- At least 15 transactions resulted from adjuster/insurer delays in inspecting or picking up total loss vehicle

REFERRAL OBSERVATIONS (1 OF 2)

- ARD charging fees that are deemed unreasonable
- ARD charging for storage before and during teardown and/or repairs
- Insurance company delays retrieving the vehicle after being declared a total loss
- Delays in insurance inspection leading to a total loss prior to any teardown
- A delay in payment to remove the vehicle arises when the insurance company incurs excessive fees which, in turn, causes storage fees to continue to accrue

REFERRAL OBSERVATIONS (2 OF 2)

- ARD has a vehicle that they may need to store inside taking up a space that could be used to repair other vehicles (loss of revenue)
- Funds may have been deducted from a consumer claim for the excessive fees charged by an ARD

QUESTIONS AND COMMENTS

Submit questions and/or comments to:

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