

# Complaint Case Study

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Bureau of Automotive Repair

# ARD Timeline of Transaction (1 of 2)

- December 27 – vehicle presented for repair at ARD selected by registered vehicle owner
- December 30 – ARD informs insurer vehicle is a total loss
- December 31 – ARD advises insurance adjuster (at facility to inspect different vehicle) vehicle is a total loss
- January 2 – adjuster confirms assignment to claim via email

# ARD Timeline of Transaction (2 of 2)

- January 6 – adjuster confirms total loss determination via email
- January 10 – insurer requests registered owner release vehicle
- January 13 – registered owner signs “repair order” at ARD
- January 18 – insurer disputes total loss fees as represented on repair order

# ARD Itemized Charges on Repair Order

## Vehicle Diagnostics

- Pre-Scan: \$225.00
- Collision Inspection: \$450.00
- Inspect Headrest/Steering Column: \$112.50
- Inspect Seatbelts: \$112.50

## Storage

- December 30 to January 8; January 9 to January 13: \$3,250.00

## Total

- \$4,150.00

# ARD Charges Presented to Insurer

## Vehicle Diagnostics

- Pre-Scan: \$225.00
- Collision Inspection: \$450.00
- Inspect Headrest/Steering Column: \$112.50
- Inspect Seatbelts: \$112.50

## Storage

- December 30 to January 15: \$4,250.00

## Lien Charge

- \$250.00

## Tax

- \$19.38

## Total Presented

- \$5,419.38

# Insurer Timeline of Transaction

- December 26 – date of loss
- December 27 – loss reported and DRP facility identified
- January 2 – insurer advised of vehicle location
- January 2 – adjuster assigned to inspect vehicle by January 9<sup>th</sup>
- January 6 – vehicle inspected and classified as potential total loss
- January 9 – total loss handling, last date of storage set at January 13, and charges requested from the ARD
- January 14 – second request for charges to ARD

# Insurer Response to ARD Presented Charges (1 of 2)

## Vehicle Diagnostics

- Pre-Scan: \$225.00
  - Insurer reduced diagnostic time in half and only approved \$112.50
- Collision Inspection: \$450.00
  - Insurer reduced to \$0.00 claiming no evidence of repairs during their inspection
- Inspect Headrest/Steering Column: \$112.50
  - Insurer reduced to \$0.00 claiming no evidence of repairs during their inspection
- Inspect Seatbelts: \$112.50
  - Insurer reduced to \$0.00 claiming no evidence of repairs during their inspection

## Storage

- December 30 to January 15: \$4,250
  - Insurer reduced to \$100 per day for January 6-20 and only approved \$1,500.00

# Insurer Response to ARD Presented Charges (2 of 2)

## Lien Charge

- \$250.00
  - Insurer reduced to \$0.00 unless ARD provided DMV lien document

## Tax

- \$19.38
  - Insurer reduced to \$0.00

## Total Presented

- \$5,419.38
  - Insurer only approved charges totaling \$1,612.50

# BAR Analysis of Transaction (1 of 2)

- This case is an example of and speaks to storage workshop discussions of an ARD's intent to repair a vehicle
- Draft storage regulations presented at the BAR workshop on October 17, 2024 created a mechanism for 'market storage rates' to be charged in these circumstances
  - Even if the consumer ultimately decides not to repair the vehicle based on a total loss determination by their insurer

# BAR Analysis of Transaction (2 of 2)

- However, knowingly entering into a repair transaction for a vehicle that is not economically feasible to repair may fall under Business and Professions Code 9884.7(e)
  - Properly documented consumer requested repairs to the vehicle (e.g., sentimental value) is acceptable
- BAR supports and encourages ARDs to earn and collect appropriate storage and/or repair charges
- Improper charges equate to consumer harm and potential enforcement action

# Contact Information

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