California Auto Claims: A Quick Reference for Shop Staff

Your customers ask you insurance questions every day. This sheet covers the California rules that come up most, with the source for each, so your team can give accurate answers and know when to point someone elsewhere.

The customer chooses the repair shop

An insurer may not require a customer to use a particular shop. It may recommend one only if the customer asks, or after telling the customer in writing that they are free to choose. Once the customer picks a shop, the insurer may not steer them elsewhere. This applies to the insurer's own policyholder and to a person claiming against another driver's policy (Ins. Code § 758.5).

How long the insurer has

Step	California rule
Acknowledge the claim	Within 15 calendar days of notice, and begin investigating (10 CCR § 2695.5(e))
Respond to the claimant's letters and calls	Within 15 calendar days (10 CCR § 2695.5(b))
Accept or deny	Within 40 calendar days after receiving proof of claim. If it needs more time, it must say so in writing, and again every 30 days (10 CCR § 2695.7(b), (c)(1))
Pay once accepted	Within 30 days (10 CCR § 2695.7(h))

Total loss: what the payment must include

- Based on the cost of a **comparable vehicle**: same make and model, same or newer year, similar options and mileage.
- Must include **applicable taxes, one-time transfer fees and prorated license and registration fees**.
- Any deductions must be **itemized and documented**.
- On a claim under the customer's own policy, the customer has **35 days** to tell the insurer they cannot buy a comparable car for the amount offered, and the insurer must reopen the claim.
- **Towing and storage** must be paid when reasonably necessary.

10 CCR § 2695.8(b), (c), (k)

Diminished value and loss of use

When another driver caused the crash, the owner may recover the reasonable cost of repair **plus** the loss in the car's value after repair, as long as the total does not exceed the car's value before the crash (CACI 3903J). The owner may also claim the reasonable cost of renting a similar vehicle while the car is repaired or replaced (CACI 3903M). What the customer's own policy pays for rental depends on the coverage they bought.

Deadlines customers should know

Deadline	Rule
Report to the DMV (form SR-1)	Within 10 days if anyone was injured or killed, or property damage to any one person was over $1,000 (Veh. Code § 16000)
Vehicle damage lawsuit	3 years (Code Civ. Proc. § 338(c)(1))
Injury lawsuit	2 years (Code Civ. Proc. § 335.1)
City, county, state or transit vehicle involved	Written claim to the agency within 6 months (Gov. Code § 911.2)
Uninsured motorist claim	Within 2 years of the accident: a lawsuit, an agreement, or an arbitration demand to the insurer by certified mail (Ins. Code § 11580.2(i))

Coverage facts that surprise people

- **California's minimum property damage coverage is $15,000** (Veh. Code § 16056). On many late-model vehicles, that will not cover a major repair or a total loss.
- **Uninsured motorist coverage** comes with every California auto policy unless the policyholder removed it in writing (Ins. Code § 11580.2).
- **Rideshare:** from the moment a driver accepts a ride until it ends, at least $1,000,000 in liability coverage must be in place. With the app on and no ride accepted, the minimum drops to $50,000 / $100,000 / $30,000 plus at least $200,000 in excess coverage (Pub. Util. Code § 5433).

WHEN A CUSTOMER SHOULD TALK TO A LAWYER

- Anyone in the car was hurt, even slightly
- The insurer is disputing who was at fault
- The other driver was uninsured or fled
- A government vehicle, commercial truck or rideshare driver was involved
- The total loss offer will not buy a comparable car

STUCK WITH AN INSURER?

Customers can contact the California Department of Insurance consumer hotline at **1-800-927-4357** or file a complaint at insurance.ca.gov.

QUESTIONS? TALK TO US

(888) 977-2238 | Los Angeles office (310) 424-5252 | bdinjurylawgroup.com

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Checked against primary sources (California codes, 10 CCR, CACI) September 2026. General information for shop staff, not legal advice for any particular claim. B&D does not pay shops for referrals.