

Proposed Text
Regulation Implementing and Interpreting Insurance code 758.5

California Code of Regulations, Title 10, Chapter 5, Subchapter 9, Article 7.5,
Section 2698.93

ARTICLE 7.5. – Insurer Recommendations of Automotive Repair Dealers

Section 2698.93 (a) This article applies to any claim in which an insurer may be required to provide benefits for repair of a motor vehicle pursuant to a policy of insurance as defined by section 660 of the Insurance Code. For purposes of this article “claimant” means a first-party claimant or insured, or a third-party claimant who asserts a right of recovery for automotive repairs under and insurance policy

(b) Except when a referral is expressly requested by the claimant, after a claimant has chosen an automotive repair dealer, the insurer shall not suggest or recommend that the claimant select a different automotive repair dealer.

c) For purposes of subdivision (b), a claimant has chosen an automotive repair dealer when the claimant has specified to the insurer a specific automotive repair dealer registered with the Bureau of Automotive Repair pursuant to sections 9884 and 9889.52 of the Business and Professions Code which he or she wishes to repair the vehicle.

(d) For purposes of subdivision (b), an insurer suggests or recommends that the claimant select a different automotive repair dealer when the insurer, whether orally or in writing, communicates information to the claimant which is relevant only to the choice of the automotive repair dealer. Suggesting or recommending includes, but is not limited to, the following:

(1) Communication regarding the insurer’s direct repair program or its list of approved automotive repair dealers.

(2) Communication regarding the quality of the chosen automotive repair dealer.

(3) Communication regarding the quality of an automotive repair dealer other than the chosen dealer.

(4) Communication which identifies an automotive repair dealer other than the automotive repair dealer chosen by the claimant, unless expressly requested by the claimant.

(e) Nothing in the article restricts the ability of an insurer to explain contractual provisions of the insurance policy to the claimant, including the insurer’s obligation to pay only costs that are reasonably necessary to restore the damaged vehicle to its pre-accident condition.

NOTE: Authority cited: Section 758.5, Insurance Code, Reference: Section 758.5, Insurance Code.