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
• 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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