

ACCIDENT DESCRIPTION

Being involved in an automobile accident is never a good situation. Having someone to guide you through the process is priceless.

Auto accidents can be classified two ways:

Minor:

Any auto accident that does not involve bodily injury can be classified as a minor accident. These accidents do not require an accident report to be filed with a police department, regardless of the amount of property damage. These accidents can be handled among the parties involved. When the police fill out an accident report they are there as an unbiased third party to document the accident. Their responsibility is to gather information from all parties involved and make a written report.

*****The police do not determine liability, the insurance companies do!*****

Injury:

An injury auto accident involves bodily injury, regardless of the severity of the injury. This type of auto accident does require a police report. You could be facing criminal charges if you leave the scene of an injury auto accident without first speaking to the police.

LIABILITY

Usually, liability is easily determined by having a good understanding of the facts of the accident. Having as many reliable facts as possible is very important in determining the best way for you to proceed with the insurance procedure.

All auto accidents are not created equally. New York is a "no fault insurance" state. "No fault insurance" pertains to injuries only. When it comes to property damage, it is the insurance company(s) who determine fault. Insurance companies can accept all or part of the liability. Meaning; driver of car "A" can be found 75% at fault and driver "B" can be found 25% at fault or any ratio thereof. Some insurance companies have been using the practice of rationalizing that all parties involved need to be held

somewhat liable. Some insurance companies rationalize this by saying “well, if you were not on the road this accident would not have happen, therefore...” You, as a licensed driver, have the right to be driving on a public road. It is my opinion that this is not a justifiable way of assessing fault. Keep in mind, if you are assessed liability you can be held financially responsible for that percentage of all costs and settlements involved.

THE REPAIR PROCESS

*****New York State law prohibits insurance companies from requiring or suggesting that you use a repair shop of their choice. This is called “steering” and it is illegal! It is your right to use the repair shop of your choice and the insurance company must work with that registered repair shop*****

Not at fault:

If you have collision coverage on your vehicle and it is determined that you are not at fault you have a couple of options. You can submit a claim through your insurance company or through the other party’s insurance company. The end result is the same; it is just a matter how you get there. The responsibility of the insurance company is to pay us to put your vehicle back in the same condition it was prior to the accident. The insurance company has six business days to send an appraiser to our shop to appraise the damage to your car. Once an agreed price (AP) has been reached we will be able to start the repair procedure. Depending on the extent of the damage the repair time we need would usually be 10 – 15 business days. If you submitted the claim through your insurance company your deductible is your responsibility. Once your insurance company is reimbursed by the other insurance company, this is called subrogation; your deductible will be refunded. Subrogation can take weeks or even months. If you choose to submit your claim through the other party’s insurance company then your deductible is not a factor.

At Fault:

If you have collision coverage and are deemed at fault then your only option is to file a claim with your insurance company. The responsibility of the insurance company is to pay us to put your vehicle back in the same condition it was prior to the accident. Your insurance company has six business days to send an appraiser to our

shop and appraise the damage to your car. Once an agreed price (AP) has been reached we will be able to start the repair procedure. Depending on the extent of the damage the repair time we need would be 10 – 15 business days.

If you are at fault and you have no collision then the repair cost would be your responsibility.

A TOTAL LOSS

If it is determined that you are not at fault and you have collision coverage you have a couple of options. You can submit a claim through your insurance company and / or through the other party's insurance company. If you do not have collision coverage then your only option is to file a claim with the other insurance company. The end result is the same; it is just a matter how you get there.

VEHICLE'S VALUE:

In the event your car is a total loss (a car that is a total loss does not mean that it cannot be fixed it means that the insurance company has deemed that the car is not economical to repair. Most insurance companies use a 65% damage to value ratio (this value varies). For example, if your car is worth \$10,000 and the repair cost exceeds \$6,500 the insurance company may total your car) the responsibility of the insurance company is to pay you "fair market value" plus sales tax for your car. Fair market value is what you would expect to pay to replace your car with the same year, make, model and condition car that you lost. This value can be determined several ways. Insurance companies use comparable values within a 100 mile radius, much like an appraisal on your house. You can do the same by looking at some used car pricing web sites; one place to start would be NADA.com. Determining the value of your vehicle should be done as soon as possible. Print the information that you find and keep it in a folder. This information can be very helpful later.

BETTERMENT:

This is a term that insurance company's use to lower the value of a vehicle. For example: if you had a large dent in the door from a prior accident, that dent devalues your car. The insurance company can lower the amount that the car is worth by the amount of the prior damage. However, betterment can work in your

favor. For example, if you just had four new tires and or brakes installed days before the accident, you have increased the value of your vehicle and therefore you should be compensated for that. The same is true if you have just had any other significant repairs done to your car. If so, present those repair bills to the adjustor. If there was damage to any other items of value (laptop computer, eye glasses, etc.) these item should be itemized and brought to the adjuster's attention

INSURANCE COMPANY'S OFFER:

Once the insurance company has totaled your car they will be making you an offer. Essentially, they are buying your car from you. If you have done your homework you already know what your car is worth. The monetary offer from the insurance company should be close to the figure that you came up with. Most insurance companies are fair. However, there are times when their offer is lower than what you feel is fair. Using the information that you gathered about the value of your car you can argue that the car is worth more than the insurance company's offer. You need not to accept their offer. Present the insurance company with your findings and ask them how they arrived at their figure. Everyone is in business to make money and the insurance companies are no exception. So, if they are to pay you \$1,000 less than your car is worth that is \$1,000 more in year end profits.

Do not let the insurance company remove or take possession of your car until you know what they will be paying you. Remember, they are buying your car from you. Think of it this way: you would not sell your car to someone without knowing what they are willing to pay you for it, would you? Same is true here. Once the vehicle had left your control you have lost an essential bargaining advantage.

Some insurance companies will try to coerce you to let them move the car to their facility prior to assessing the damage. This is not in your best interest. Keep in mind: I work for you, not the insurance company. The storage lot that they want the car brought to works for the insurance company, not for you. Very often that facility is located in another county. Allowing them to relocate your car puts you at a grave disadvantage!

RENTAL CAR

If you have collision coverage, or if you are not at fault, your insurance company or the other party's insurance company may cover a rental car until your car is repaired or you are paid by the insurance company for your loss. If you do accept the rental car try to have the insurance company pay the rental car company directly. This will help prevent unexpected charges to your credit card and tie up available credit. Be advised that some insurance companies may not cover 100% of the rental car costs

TOWING & STORAGE

If you have collision coverage or the accident is not your fault:

All towing and storage charges will be paid for by either one of the insurance companies. Essentially, there are two parts to your collision claim. There is the damage to your vehicle and there is care and custody of your vehicle. The insurance company will not take money from the collision part of the claim to pay for the towing and storage portion of the claim.

If you and the insurance company reach an impasse as to the value of your vehicle the insurance company will sometimes threaten to stop paying storage on your vehicle as way to coerce you into making a decision that you do not feel comfortable with. The insurance company is required to notify you in writing that they will cease paying storage charges. If you are sent this letter retain both the letter and the envelope in which it was mailed. The postmark on the envelope is invaluable.

Once you have accepted the insurance company's offer the insurance company will usually arrange to remove the vehicle from our premises and pay us for the stowing and storage. Occasionally, the insurance company will not want to take possession of your vehicle. If that is the case we can arrange to dispose of the vehicle at no charge.

If the accident is your fault and you do not have collision coverage:

You will be responsible for the towing and storage charges. Storage charges will not start to accrual for several days as long as you are in contact with us about the disposition of your vehicle.

WITNESSES

Your best defense is an unbiased witness. Your friend in your front seat with you at the time of the accident is **not** a good witness. Look around to see if anyone saw the accident. It is very important to get someone to tell a police officer or an insurance company what they saw. Write down their name and telephone number. Unfortunately, many people do not want to “get involved”. If someone did see the accident and refuses to cooperate with you write down their license plate number. The police and or the insurance company can contact them later.

THE AFTERMATH

The State of New requires all drivers that were involved in a motor vehicle accident were there are injuries or the damage exceeds \$1000 to the property of any one person to file an accident report with the state regardless of where you are licensed. Failure to do so within 10 days is a misdemeanor and / or your driver’s license and vehicle registration can be suspended. You will find a copy of this form on the back page and you can also find it on the web by going to:

(<http://www.nydmv.state.ny.us/forms/mv104.pdf>).

Once you have completed the MV-104 form it is advisable to get a “certificate of mailing” at the post office. New York State is notorious for losing and / or claiming that they never received your correspondence. The certificate of mailing is your proof that the form was indeed mailed and mailed timely.

Within 3 -4 months after your accident it is advisable that you order a “drivers abstract” for yourself. By doing so, you will be able to review your driving history, disposition of the accident & the condition of your licenses to ensure that the accident is correctly reported and that NYDMV received the MV-104 form. The

drivers abstract can be found on the web by going to:

(<http://www.nydmv.state.ny.us/driverabstract/default.html>).

Contact Prestige at (845) 462-7373 if you have any questions.