

## Frequently Asked Questions

### **Q: Am I able to have my vehicle repaired where I want to?**

**A:** Yes, as per NYS Reg 64 (sect. 2610) you can have your vehicle repaired at the shop of your choice. **CSN is here to assist you with this.**

### **Q: Can my insurance company insist that I have my vehicle inspected at a drive-in-claims center or body shop location to obtain a damage appraisal?**

**A:** No. While all insurance companies have a right to explain any programs and or services available to their customers as a matter of service, they cannot however demand that your vehicle first be inspected at a location of their choice to obtain an estimate of your vehicle damages. Often if your vehicle is drivable they will insist that you take your vehicle to a drive-in-claims center or insurance shop first to obtain an estimate, then you take your vehicle with the insurance estimate to your shop of choice. Most of these estimates will not accurately reflect the damages, leading to delays in the repair process and customer frustration.

**Therefore, you must be sure to choose a body shop from CSN's network of professional full-service repair facilities.** Most significantly for you the policy holder they do not fully indemnify( make you whole, allow for what is necessary to return the vehicle to pre-loss condition and pay out what your entitled too) due in part to hidden damages, missed damages, inspection location and conditions, and with many insurance companies as a matter of procedural policy; the adjusters are simply told not to allow or write certain operations, materials or replace parts they know are required or most likely required to return your vehicle to its pre-loss condition. This of course means the insurance consumer has not received the true dollar value of their claim.

### **Q: What is after-market, LKQ, reconditioned and OEM parts?**

**A:** When the repair process will require the replacement of a damaged part the adjuster will consider what that damaged part will be replaced with. OEM stands for original equipment manufacturer. After-market means new parts manufactured by someone other than the original manufacturer. Reconditioned indicates original parts that have been remanufactured or rebuilt utilizing various machine shop tools, repair process's or replacement parts to restore the original part to working condition. LKQ is tricky as this can have a dual meaning. Most insurance companies will refer to this term when speaking of used or junk parts. NYS Reg. 64 uses this interchangeably to mean used, reconditioned or aftermarket parts; basically, any non-new original equipment part.

### **Q: Can my insurance company utilize these parts to repair my damaged vehicle?**

**A:** Yes. NYS Reg. 64, DMV law & NYS Department of Insurance have stated that insurance companies *may consider* the use of alternative parts when repairing an insured's vehicle. These parts must meet certain minimum standards established by the insurance industry & confirmed thru independent 3<sup>rd</sup> party companies. Such standards are form, fit, performance and safety when compared to the original equipment parts. All parts must meet or exceed safety & performance ratings as established by DOT & DMV; like headlamps, exhaust and windshields. Most personal auto policies contain a section which defines the insurance company's philosophy regarding the use of alternative parts such as how, when and where they may choose to utilize these parts in restoring your vehicle to pre-loss condition. Most insurance policies state the use of these parts is consistent with industry standards and will be considered to help reduce the cost of the repair while not compromising safety or quality. This must be clearly indicated on the repair estimate and you should expect a

full explanation from the adjuster advising you that certain alternate parts were utilized in the repair estimate what parts were used and if those parts are guaranteed for safety, performance and quality. Request a written copy of the insurance company's parts guarantee.

**Q: Can my insurance company use LKQ or used parts to replace safety equipment such as airbags, seatbelts, parking sensors, lane departure and blind spot sensors & OEM cameras?**

**A:** No. Here again the controlling authority is NYS Reg. 64, DMV & NYS Dept. of Insurance.

The use of any parts other than the OEM (original equipment manufacturer) is illegal.

**Q: Does my insurance company have to pay the labor rate that my body shop charges?**

**A:** No. Most insurance companies have an established rate they have determined is fair & reasonable that they utilize for negotiating auto damage repairs. This rate may vary slightly from one geographical location to another; such as upstate NY versus the Long Island area. Some companies do adjust for aluminum structural repairs, heavy equipment, specialized vehicles and exotic vehicles. The insurance company may further require that the shop demonstrate they have the necessary equipment, training and certifications to receive the adjusted labor rates. **Therefore, you need to utilize CSN when choosing a body shop.** Our network of body shops includes those who have attained elite repair certifications, together with the most professional staff. Labor rate remains a very nebulous and contentious issue for the collision services industry. Again, NYS Reg 64 is the guiding authority on this matter which states "that all aspects of the claim are negotiable" and this includes labor rates. This is a free market economy, as such all body shops can choose any labor rate they feel is necessary to conduct business and make a profit. So, while NYS Reg 64 states that the labor rate should be a consideration during negotiations most insurance companies will not address it. This means you could end up paying your deductible and the difference in labor cost. **Therefore, you must choose a CSN collision repair facility who will have the knowledge and skills necessary to negotiate effectively with the insurance company and who will represent your interest ensuring you are fully indemnified and your vehicle is restored to its full pre-loss condition meeting all your expectations with no additional costs.**

**Q: What is a certificate of automobile repair form?**

**A:** This is a NYS Dept. of Insurance form that must be completed by you and your repair facility after repairs are completed. There is a section for you the insured to complete which confirms you utilized the money to have your vehicle repaired or to indicate you did not and kept the money. The other section is completed by the body shop and indicates that the repairs were made as per the insurance company estimate or if not then as per an attached itemized invoice from the body shop stating how the vehicle was repaired. The completed copy is mailed back to the insurance company and NYS.

**Q: What happens if I forget to return this form to my insurance company?**

**A:** Failure to mail this form back to your insurance company may have serious implications for you should you need to file another claim for physical damages to your vehicle. You do not need to use any of the money you received from an insurance claim for damages to your vehicle for the repairs. You may use some or none of it. The money is yours, proceeds from your claim are yours, for which you may do with as you please. Failure to complete the certificate of repair accurately and timely, indicating how the money was utilized after your settlement will most likely result in the insurance company deducting all or a percentage of your prior settlement as an adjustment to any future claim for physical damages to your vehicle. This of course could

have serious financial implications for you should you need to file another claim. This is your money and you are under no obligation to make any repairs to your vehicle with it. You can pay bills with it, go on vacation; however; you must certify to NYS and the insurance company if the money was used for repairs or not. The body shop must comply with the same if repairs were made and attached an itemized invoice if they deviated from the insurance estimate. **As always, a member of CSN's professional staff is here to answer any questions or concerns you may have regarding insurance regulations, filing of your automobile damages claim and of course choosing a 5-star collision facility from our vast network.**

**Q: My car has been in an accident, is it safe to drive?**

**A:** We would never advise that you drive a vehicle that you feel is unsafe. **Contact CSN and our professional staff can assist you with determining the condition and type of damages and if those damages render your vehicle unsafe to drive.** An unsafe condition can be for mechanical, operational or legal reasons; like a broken or cracked headlamp or tail lamp. We will also help you with the claims process and locate one of CSN's 5-star collision facilities close to you that can tow your vehicle to their facility free of charge.

**Q: How do I set up an insurance claim?**

**A: When you need to file an insurance claim for damages to your vehicle, your first call should be to CSN.** Our professional staff, are here to guide you through the claims process, assisting you with choosing a body shop from our network of 5-star collision facilities and if needed other client businesses including legal experts & insurance brokers. Our years of experience and network of professionals dedicated to serving your needs can help make the entire process as simple and convenient for you as possible. We understand that this is a stressful and emotional time for you and CSN's goal is to assist you in any way possible.

**Q: Will a rental car be arranged for me and will the rental company meet me at the repair facility?**

**A:** Many of CSN's 5-star collision facilities are full service operations with on-site rental agents who represent various rental companies; the most common are Hertz and Enterprise. When you arrive at the collision shop the on-site rental agent will make all the arrangements, explain the rental process, set-up the billing with your insurance company and appoint a vehicle which best matches your needs. For those collision facilities with no on-site rental agent's arrangements will be made with a local rental company to meet you on the day your vehicle is towed to a CSN collision repair shop or when you drop off your vehicle for repairs.

**Q: If I have collision coverage on my vehicle does that mean rental car cost will be covered?**

**A:** Not necessarily. Rental cars are only covered if you have rental reimbursement on your insurance policy. Review your policy with your agent or broker to be certain you have the coverage. If not, you should add this as rental reimbursement usually adds a nominal increase in your premium but can save you quite a sum of money. If you do not have the coverage and the accident is not your fault you may be able to have your rental cost either covered through the other persons insurance or you could be reimbursed by the other persons insurance after your repairs are completed. Therefore, CSN recommends everyone review their policies at least twice a year for cost and coverage accuracy. **CSN has a vast network of highly skilled, experienced and dedicated independent insurance brokers who are available to review your current insurance policy and help you determine if you have the right amount and types of coverages you require and can afford. All CSN's brokers will be more than happy to provide this service free of charge. All our client business brokers work for you not the insurance company and will represent your interest only.**

**Q: Do I need to obtain more than one estimate?**

**A:** There is no contractual or regulatory requirement that you obtain or provide any estimate of damages to the insurance company. Your premium dollars paid to your insurance company include providing the service of determining the repair costs to your vehicle; including all methods, equipment and labor (estimator or adjuster) to meet that requirement and deliver that service. These resources may be company employees or independent adjusters who may work for many insurance companies.

**Q: Estimate amounts may vary, why is that?**

**A:** Differences in collision repair estimates are common and may be the result of many related or unrelated circumstances such as; lack of experience, availability of time, location of vehicle at time of inspection, competition (underbidding) and appraisal technique. The dollar amount of any estimate is not indicative of the quality of the work. Accuracy and integrity are more predictive of the inclusiveness of the estimate. A lower estimate may not include all the necessary operations, parts and materials a lead to longer repair times, increased costs and perhaps lower quality work. **That is why you need to choose one of CSN's professional body shops who have state of the art equipment, professional staff and industry trained technicians who will accurately estimate your vehicle damages, blue print the most timely and accurate repair process and restore your vehicle to its safe pre-loss condition.** In the process of fixing the damage caused by a collision, additional repair issues may be revealed or hidden damages discovered. This will lead to a change in the original estimated costs to repair your vehicle. All CSN's repair facilities have professional estimators and office staff who can explain the differences and changes from the original estimate and why that is necessary.

**Q: What is betterment?**

**A:** This a monetary adjustment made to a part or labor operation based on a percentage value assigned by the adjuster consistent with the insurance company's betterment policies. Here in NYS it is most often referenced by the insurance company as depreciation. Most betterment is applied to wearable items on the vehicle such as tires, batteries and exhaust parts. Betterment/depreciation can be applied to non-wearable parts if there is related prior damages to the damaged part or paint. The percentage of betterment applied should be based on the expected life span of the specific part and present condition. The philosophy goes like this, if replacing the existing part results in you, i.e. your vehicle, being in a better position than the adjustment is made. The same is true for labor operations. If painting a panel because of repairs results in that panels finish being improved from its prior condition then an adjustment is made. Again, it is important to note that these adjustments are subjective as they rely on the adjusters' opinion. Also, insurance companies differ in their application and severity of these betterment adjustments and some do not apply them at all. **Therefore C.S.N. advises our customers to scrutinize all betterment and depreciation adjustments and challenge them if you feel they were not applied accurately or fairly.**

**Q: If additional damages are found, do I have to call my insurance company?**

**A:** If the need for additional repairs is discovered the CSN body shop you choose will contact your insurance company on your behalf and request a re-inspection. The insurance company will send an appraiser to the shop and the CSN body shop staff will negotiate the necessary changes to the original estimate, work to obtain an agreed price, leading to a supplemental estimate and payment. If your vehicle was inspected at the CSN body shop the first time then the insurance company must complete the supplemental inspections within 2 days. If the first inspection was conducted in another location then the insurance company has 4 days to re-inspect your vehicle. **Therefore, CSN always advises our customers to have their vehicle inspected the first time at one of our 5-star collision facilities where their professional staff will ensure that the entire process**

**from claim filing, to inspection, rental arrangements, timely repair process and delivery are handled efficiently and seamlessly resulting in reduced down time and less stress & costs to you.**

**Q: If am involved in a car accident and must file an insurance claim am I required to contact the police and obtain a police report?**

**A:** No. There is no provision in the insurance policy which requires you to obtain a police report or call the police if you are filing a claim for collision or comprehensive damages to your insured vehicle. So, if you have a policy which provides coverage for physical damage to your vehicle and coverages are enforce at the time of your loss then you cannot be refused to file a claim. Assigned risk policy's may as a condition of providing insurance require a police report if you are involved in a collision; again, this cannot be a bar to filing your claim. Once the claim is filed the insurance company in the course of their investigation may request a police report. If your accident involved another vehicle, a pedestrian, property damage or injuries to a passenger in your vehicle then you should be calling the police from the scene. CSN strongly recommends that anyone in a car accident that involves another vehicle call the police immediately from the scene whenever possible. This establishes time and location and places all parties at the scene so there can be no complications later; such as someone changes their initial statement or denies ever being in an accident. Police reports also aid the insurance company in their determination of liability. Your claim cannot be denied for failing to call the police but CSN advises all its customers to make every effort to call from the scene.

**Q: My car sustained collision damages by unknown person do I need to contact the police prior to making an insurance claim?**

**A:** No. If your vehicle is damaged and you do not know how it happened then you are covered through your collision coverage. If the damages were caused by a hit and run or a hit while parked the insurance company considers this a criminal act and generally a non-chargeable loss. Some insurance companies may pressure you to obtain a police report for this type of claim but you are under no contractual or legal obligation to do so. **As always if you need to file an insurance claim contact CSN first and we will advise how best to proceed. Remember CSN has professional staff who can answer or clarify any questions or concerns you may have and assist you with the insurance claim process. CSN has a vast network of legal and insurance professionals that can lend additional support or advice.**

**Q: When must I obtain a police report when filing an insurance claim?**

**A:** If your vehicle was stolen or involved in a partial theft; such as stripped, items removed from the vehicle, forcible entry or total or partial fire then you must contact the police.

**Q: What is comprehensive coverage?**

**A:** This covers your vehicle against all other damages not caused by a collision. There are two types of physical damages coverage you can obtain; collision and comprehensive. Collision damages result from colliding with another vehicle, property or object. Comprehensive damages result from everything else. An example of such damages would be flood, fire, theft, vandalism, bird droppings, wind damages and hail. You may have both coverages, one or none.

**CSN has many outstanding independent insurance brokers who can assist you with all your insurance needs and always available to review your existing insurance policy to help determine if you have the correct amount and type of coverage. As always if you have any concerns or questions related to your insurance needs CSN recommends seeking the advice of an insurance broker thru our vast network of licensed professionals.**

**Q: If my car needs to be towed to a CSN collision facility will I be covered?**

**A:** Yes. Your insurance policy under your physical damages coverages provides for towing in the event your vehicle is not safe to drive or cannot be driven. The charges can be either voluntary; as in you called a specific tow service from the scene or your home, or involuntary such as a police tow from the accident scene. While police tow charges are controlled by established town and or county rates, a voluntary tow charge is billed according to the prevailing market and owner's discretion. Most insurance companies will pay a primary tow charge, second tow charges can be problematic. Nearly all insurance companies will pay only fair & reasonable tow charges. Tow bills can become a flashpoint for you and the insurance company if the collision shop is unreasonable, outside fair market rates or imposing additional secondary charges that cannot be substantiated or consistent with town & County regulations. That is why CSN advises all our customers, **before you speak to them, you should be calling US.** CSN will assist you in choosing a collision repair facility from our vast network that will tow your vehicle to their location safely, securely and without any additional costs to you. **All the CSN collision shops will pick-up your vehicle from any location and transport it safely to their facility. Worry free, no hassle towing without any additional costs to you.**

**Q: Can I keep my car if it is a total loss?**

**A:** Sometimes. Here in NYS if your vehicle is 8 years old or older from your model year and you own the car; that is no loan and no lease then in some cases it may be possible to keep your car. This is referred to as salvage retention. This is conditional and at the insurance company's discretion. Such things as a partial fire loss, total fire loss, flood loss, or extensive damages will usually be a bar to any retention settlement. NYS is a title branding state. What this means is any vehicle declared a total loss that is within the 8-year margin will have the cars title branded as a salvage vehicle and the title will state what type of damages the vehicle sustained. This diminishes the vehicles resale value significantly potentially creating an unforeseen financial hardship for the vehicles owner in the future. **All CSN's collision shops professional staff will advocate for you, represent you and negotiate with the insurance company on your behalf to assure that you receive a fair market value for your vehicle. All CSN's repair facilities have industry trained professionals who will make certain that your needs, concerns and desires are fully represented.**

**Q: What is unrelated prior damages?**

**A:** Old or pre-existing damages unrelated to your current loss. Commonly referred to as UPD by insurance professionals these damages were not caused by or consistent with your accident and are typically noted by the insurance adjuster during the vehicle inspection. These damages can be anything from old collision damages, damage due to vandalism or simply normal wear such as rust/rot, worn trim panels, worn convertible roof, paint failure or fading and missing components.

**Q: Can these damages affect my claim and alter my settlement?**

**A:** Possibly. If your claim results in a partial loss settlement, that is the insurance company determines your vehicle to be repairable then generally any prior damages will not impact your claim. If, however your vehicle is a total loss then prior damages can alter your settlement. The insurance adjuster should document these damages and provide an itemized prior damages estimate which will determine the dollar amount of those damages. Here in NYS these damages are then adjusted on a sliding scale from 0% up to 75% of the total dollar amount of the prior damages. Most insurance companies today utilize a computerized valuation process that determines what the adjustment will be based on a series of values the adjuster enters in each condition rating category.; poor to very good. All major vehicle components are rated from tires, body, paint, engine, and interior. These values are then compared against a vehicle that matches your vehicle and what

would be considered the expected condition for that year, make, model and mileage. Any deviation results in a monetary adjustment to your total loss settlement. The values entered are based on the adjuster's opinion of your vehicles condition based upon the conditioning metrics of your insurance company and are subjective thus should be challenged if you feel they do not accurately represent the condition of your vehicle.

**Q: How is the value of my vehicle determined by the insurance company?**

**A:** Nearly every insurance company today utilizes some form of computerized valuation process. The most common is supported by a company, CCC One and utilizes a data base of vehicles of nearly all makes and models including motorcycles, trucks and specialty vehicles which is refreshed and updated in a timely matter. The insurance adjuster provides all vehicle and claim data to CCC One; including vehicle condition and mileage. The data base is then sourced to locate all comparable vehicles. The data base is updated regularly either thru onsite inspections or vehicles advertised by dealers. Comparable vehicles in your geographical area are located; determined by your zip code where the car is garaged. Comparable vehicles must match the loss vehicle with all related factors. Adjustments to the price of the selected comparable vehicles are made to reflect differences in vehicle attributes like options and mileage. The final value is the average of the adjusted values of the comparable vehicles selected. Another method utilizes a printed reference source NADA. This is updated 4 times a year and while values can be slightly higher on average, is not geographically sensitive. So, in summary the formula begins with a base value of your vehicle which then is adjusted up or down for whatever upgrades or options you have or do not have relative to standard for your vehicle base model. Then the number is adjusted down for any prior damages and then adjusted up or down based on the mileage. The total loss valuation process is captured in a comprehensive detailed report which your insurance company receives. You have a right to see this report and have it fully explained to you. **CSN strongly recommends everyone obtain a copy of this report prior to agreeing to any settlements. These valuations are only as accurate as the information that is reported.**

**Q: Can I challenge the valuation report or is it final?**

**A: Yes.** NYS Reg 64 states all aspects of the claim are negotiable; this includes total loss settlements. The total loss settlement process is subject to the same fair claims practices act as a partial settlement claim process. A challenge must be creditable and quantifiable. Saying you think the value of your vehicle is more than the insurance company offers generally will not be acceptable. Such items as a new or reconditioned motor or transmission installed within 6 months of your loss will change the value of your vehicle. New tires within 3 months of the loss can change the value of your vehicle. The addition of some aftermarket equipment such as Xeon or high intensity headlamps, navigation, video screens, wheels (aluminum, solid chrome), spoiler, window tint, audio and sunroof. These items must be permanently installed and may add value to your vehicle. Not every insurance company will utilize the same valuation metrics even within the same valuation program as CCC. If you know these items are installed in your vehicle and may have been overlooked you need to challenge the insurance company. With regards to motors and transmissions in most cases you will need to produce accurate documentation related to date installed, miles at time of installation and price of the part. Labor costs do not impact the value of your vehicle and will not be considered. Other items like brakes, struts, tune-ups, suspension parts, engine enhancements will not affect the value of your vehicle; these are all subject to normal wear over the life of the vehicle and considered maintenance issues.

Vehicle condition report is part of the vehicle valuation process and should be challenged if it is tied to unrelated prior damages or UPD. Every insurance company uses condition inspection guidelines to determine the condition of key components of the loss vehicle prior to the loss. The guidelines describe physical characteristics for these key components, for the condition selected based on age. CCC makes dollar

adjustments that reflect the impact the reported condition has on the value of the loss vehicle as compared to normal wear condition. These dollar amounts are based on interviews with dealerships across the U.S. This process is subjective as it relies on the judgment and opinion of the adjuster, so all vehicle conditioning values & adjustments should be scrutinized and challenged if you feel they do not accurately reflect your vehicles actual status. The salvage value is the maximum dollar amount the total loss vehicle will bring at auction. This is one of the few ways insurance companies earn income; the other is by investing premium dollars in various financial instruments and getting a return on that money. Here in NYS if your vehicle is 8 years old or older from the current model year then your vehicle is not subject to NYS DMV title branding laws and in most cases if you want to retain your vehicle after it is deemed a total loss you can. The salvage value cannot be an arbitrary dollar amount. The insurance company must obtain a sealed bid or quote from a licensed qualified salvage company. The salvage value is withheld from your settlement if you are keeping your vehicle because you cannot profit from an insurance claim. If you were to sell your car to a qualified salvage dealer after retaining your vehicle you could expect to receive at least the dollar amount of the salvage fee deducted from your settlement. You have a right to ask where the salvage quote was obtained from and what was the basis for that quote. **Therefore, CSN strongly recommends all our customers request a complete copy of the valuation report along with the salvage quote prior to accepting the insurance company offer.** *We should mention that if you lease a vehicle in most cases the insurance company will resist releasing the valuation report as you do not own the vehicle. The insurance company will settle directly with the leasing agency or lease agent for the dealer from whom the vehicle was leased. Also any money applied as a down payment or upfront fees are not included in the total loss settlement and are not recoverable.*

**Q: What is *Diminished Value*?**

**A:** Assumes optimal repair quality has been achieved and is defined as the amount by which the resale value of a repaired vehicle has been reduced simply because the subject vehicle now has a considerable damage history. In nearly all 50 states you can file a diminished value claim. If you were not at fault for the accident the adverse insurance company or individual owes you money. In Georgia you can file a claim whether you were at fault or not. Bottom line is this, a salesman has two cars available that you are looking to buy. Both are of similar condition and identical price but only one has the color you're looking for. The salesman tells you the one car you want had an accident of approximately \$ 6,500 but the repairs were professionally completed and you could never tell. Would you still expect to pay the same price as the identical car on the lot? How much of a discount price if any would have to be offered for you to give the wrecked vehicle equal consideration?

**Q: How is *Diminished Value* calculated?**

**A:** Most insurance companies utilize the 17c Formula. This is so named from the place where the formula was described by the court: paragraph 17 section C. It was developed by Infinity Insurance and first implemented in a court by State Farm in a Georgia lawsuit in which State Farm submitted this calculation method to calculate diminished value. The court in that case (Mabry v State Farm) approved its use and because of the low value produced by the formula, most insurance companies have adopted it. The formula is written: Base Value (10% of NADA or Kelly Blue book) x Damage Modifier x Mileage Modifier Equals 17C Diminished Value.

**Q: What is the *diminished value methodology*?**

**A:** The 17c formula is a 4-step process. Step 1 is calculation of the value of the car. This step begins with The NADA value of your vehicle. They will adjust this value up for whatever upgrades your car has from the base model. Then they adjust the value down for any prior damages and then adjust it up or down for

mileage. (this is the first adjustment for mileage). This results in a retail market value for your car; what you could expect to sell your car for on the open market. NADA is a widely used periodical updated approximately every 3 months to establish vehicle values. A downside to its use is it is not sensitive to geographical location. Car sales and market values differ from region to region in the U.S. Demographics impact these same parameters such as a wealthy area versus a less wealthy area.

Step 2 is the application of an arbitrary cap for damages. 17c now takes the retail value of your car from step one and multiplies it by 0.10 to produce the "base loss value". This translates into an automatic 10% cap on the diminished value. There is no factual, statistical or logical basis for this cap. It appears to have been made up out of thin air by the insurance industry. No company has ever provided a justification for this cap that was based in fact or reason. Other formulas are available that are utilized by the car dealers or wholesalers to discount the price of a vehicle due to prior damages on the sell-side of vehicle transactions. Most times there is no attempt made to justify this number (10%).

Step 3 is the application of a damage multiplier. Now that the insurance company has set an upper limit, it will begin reducing your claim. First it applies a damage multiplier. This multiplier reduces your amount of your claim based on how severe the damage was to your car. If you had minor damage or cosmetic damages then the multiplier is very small and severely reduces your claim. If there are substantial structural damage then the multiplier is large and your claim is reduced only slightly or not at all. You take the base loss of value and multiply it by this number based on the level of damage.

1: Severe structural damages

0.75: major damages to structure and panels

0.50: moderate damages to structure and panels

0.25: minor damages to structure and panels

0.00: no structural damages or replaced parts

Mechanical damages are not included in this calculation because the underlying premise of this multiplier is that they are only paying for damages that could not have been fixed by replacing parts. So damages to the structure is recoverable because all they can do is hammer the structure back to its original shape. Anything that can be replaced or is replaced is not recoverable. This is all tied to the value of the repairs, not what you will lose in value when selling the vehicle. Therefore, 17c is a flawed formula. It isn't compensating you for lost sale value. Future buyers will not care if panels were replaced or repaired. They will care that the vehicle was in an accident and had to undergo body work (thru no fault of yours). That is the diminished value. Step 4 is the application of the mileage multiplier. This is often referred to as the double dip step. Remember the retail value of your vehicle was adjusted for mileage in step one, now they will apply a mileage multiplier which will discount the diminished value claim based on mileage. It works the same as the damage multiplier but applies the following figures:

1.0: 0-19,999 miles

0.80: 20,000- 39,999 miles

0.60: 40,000- 59,999 miles

0.40: 60,000- 79,999 miles

0.20: 80,000- 99,999 miles

0.00: 100,000 miles

Everyone with a vehicle over 100,000 miles will have their claim reduced to zero. This makes no sense and has no logical or factual basis. This is an arbitrary cap unsupported by statistical analysis. Vehicles with far less mileage can be in worse physical and mechanical condition than vehicles with mileage over 100,000. The insurance companies double dip on mileage then cut off an enormous number of vehicles with arbitrary numbers. The 17c formula is a very inequitable process for diminished value claimants but is extremely favorable to the insurance companies so they have all adopted it. They may not disclose that they are using it but they are or some close iteration of it. The insurance company will give you all kinds of reasons why they must use this formula; they do not. They realize most people know nothing of the process and feel they can force the outcome on you if you do not have the expertise to negotiate and mitigate your claim.

**Therefore C.S.N. advises our customers to consider a diminished value claim if you own your vehicle (presently financing or own it outright) and intend on selling it or trading it in as collateral in the future. As always C.S.N. strongly recommends that all our customers seek the advice and guidance of a qualified lawyer with the expertise to prosecute your diminished value claim, assist settlement and if necessary litigation.**