

The California Department of Insurance (CDI) offers vital guidance for consumers involved in automobile accidents, emphasizing the importance of immediate action post-accident, such as stopping, ensuring safety, and calling 911 if there are injuries. It is essential to notify the police, gather information from all parties, and document the scene with photographs. Additionally, accidents must be reported to both the insurance company and the Department of Motor Vehicles (DMV) within 10 days if there are injuries or damages exceeding \$750, as failure to do so may lead to a suspended driver's license. When filing a claim, the insurance company will investigate the loss, which may involve contacting witnesses and requiring documentation of medical expenses. Consumers should follow up with their agent if there is a delay in communication and are advised against arguing at the scene, signing fault statements, or making promises to pay for damages.

Insurance coverage generally includes the cost to repair the vehicle or its actual cash value (ACV), defined as the fair market value unless specified otherwise. Policies may contain exclusions, such as limited coverage for aftermarket equipment, and may include an appraisal provision to resolve disputes over total loss settlements. If a vehicle is deemed a total loss, the borrower remains liable for any outstanding loan balance, and gap insurance can be purchased to cover the difference. Rental car coverage is available if included in the policy, typically covering a specified amount per day for a limited duration. Subrogation allows the insurance company to recover costs from a third party responsible for the accident, requiring policyholder cooperation. Coverage generally extends to other states and Canada, but not Mexico, and drivers must maintain proof of financial responsibility as required by California law.

In the event of a lawsuit related to an accident, it is crucial to notify the insurance company immediately and refrain from discussing the incident with anyone except authorized representatives. Newly acquired vehicles may be automatically covered under existing policies, but timely notification to the insurer is necessary to ensure coverage. The insurance policy outlines essential steps and rights for policyholders following an automobile accident, advising them to read their policy

thoroughly and seek clarification from their agent if needed. Cooperation with insurance adjusters is required, and any changes in vehicle ownership must be communicated in writing to the insurer.

Under the Fair Claims Settlement Practices Regulations, insurance companies must inform policyholders of all benefits and coverage details, acknowledge claims, and provide necessary assistance within specified timeframes. Claims must be accepted or denied within 40 days after receiving proof of claim, and payments must be made within 30 days of settlement. Insurers are also required to cover reasonable towing expenses unless a specific towing company was designated beforehand. In cases of total loss, settlements must include applicable taxes and fees, reflecting the value of a comparable vehicle.

The document also addresses automobile insurance fraud, highlighting common schemes related to property and accidents, and warns consumers to be vigilant against dishonest practices by repair shops and organized accident rings, which may involve staged accidents or inflated claims. Policyholders have the right to choose their repair shop, and insurers cannot mandate repairs at specific locations unless requested by the consumer. If aftermarket parts are used, they must be comparable in quality to original equipment manufacturer parts, and repair shops must provide written estimates and invoices detailing the parts used. For further assistance or to report unfair treatment by an insurance agent or company, policyholders can contact the California Department of Insurance, which provides resources for consumers, including a hotline and online services for inquiries and complaints.