



Navigating the Automobile Claims Process after a Weather-Related Loss

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This presentation does not provide legal advice.
You should discuss specific questions with your
trusted financial advisor or insurance producer.

Agenda

- What is the Maryland Insurance Administration?
- Before the weather hits
- Do you have the right automobile coverage?
- Filing a claim
- Claim process
- What if my vehicle is a total loss?
- Settlement offer

What is the Maryland Insurance Administration (MIA)?

- The MIA is the state agency that regulates Maryland's insurance market.
- The agency's goal is to provide efficient, effective service to both the consumers of insurance products and the insurance industry.
- The MIA assures fair treatment of consumers by regulating the availability of insurance coverage at fair prices and extends to issues of solvency and fair sales, claims and settlement practices.
- The agency strives to increase public understanding of the vital role insurance plays in the daily lives of Maryland residents and businesses.

Before the Weather Hits

- Severe weather events can happen any time and any place; Maryland is no exception. In the last few years, Marylanders have sustained a significant amount of damage to their automobiles as a result of floods, hail, fallen trees and tree limbs.
- You can take steps to ensure that you have the appropriate insurance to cover potential damage.

Do You Have the Right Automobile Coverage?

Comprehensive Coverage – provides coverage for property damage to your insured vehicle resulting from occurrences other than collision.

- ✓ Flood
- ✓ Theft
- ✓ Vandalism
- ✓ Glass breakage not resulting from an accident
- ✓ Driver strikes an animal

If you only have liability coverage, your insurance company will not pay for the above types of damage.

Do You Have the Right Automobile Coverage?

Review your policy to determine what is covered and what is excluded. If you are not clear about coverage speak to your company, agent or broker.

Ask these questions:

- ✓ What types of damage are covered?
- ✓ How long will it take to process my claim?
- ✓ Will I need to obtain estimates for repairs?
- ✓ Will filing a claim under my comprehensive coverage raise my premium?

Filing a Claim

- If you experience damage to your vehicle and you decide to file a claim, call your insurance company as soon as possible.
- Your policy provides a certain period of time for you to notify the insurance company of your claim.
- Your insurance company may tell you to take your vehicle (or have your vehicle towed) to a body shop where you will receive an estimate of the amount of damage to the vehicle.

Filing a Claim

- You have the right to select the repair facility where your vehicle will be repaired.
- Your insurance company may send an adjuster to assess the damage.

Claim Process

- Review the estimate carefully. If you disagree with the estimate, you have the right to get another estimate at a different repair facility.
- Make sure to keep copies of all claim records, and keep track of the claim.

What if my Vehicle is a Total Loss?

- If you purchased comprehensive coverage and your vehicle is determined to be a total loss, your insurance carrier will make a settlement offer reflecting the actual cash value (ACV) of the vehicle immediately prior to the loss. You will be responsible for payment of your deductible.

What if my Vehicle is a Total Loss?

- A total loss means that the cost to repair the vehicle is 75 percent or greater than the fair market value of the vehicle immediately prior to the loss. Your insurance company is permitted to add additional costs such as the cost of a rental vehicle and potential hidden damage to the cost to repair your vehicle when calculating the 75 percent value.

What if my Vehicle is a Total Loss?

- Your insurance company generally has 10 days to offer a cash settlement to you. The insurance company must include all applicable taxes and registration fees in the cash settlement offer.
- The offer from the insurance company must be an amount that reflects the retail value for a “substantially similar motor vehicle” using a nationally recognized valuation manual or computerized data bank, or a quotation for a substantially similar motor vehicle from a qualified dealer at a location reasonably convenient to the claimant.

What if my Vehicle is a Total Loss?

A substantially similar motor vehicle means a vehicle that is:

1. The same make and model as the damaged motor vehicle;
2. The same year as or a more recent year than the damaged motor vehicle;
3. Contains at least the same major options as the damaged motor vehicle;

What if my Vehicle is a Total Loss?

4. In a condition substantially similar to or better than the condition of the damaged motor vehicle immediately before the damage occurred; and,
5. Within the greater of 4000 miles or 10 percent of the mileage on the damaged motor vehicle at the time that the damage occurred unless the vehicle is limited in production, specialty in nature, or older than 10 model years at the time of total loss.

What if my Vehicle is a Total Loss?

You may request the following in writing from the insurance company:

- Settlement offer
- Explanation of the method used to arrive at the offer
- Detailed explanation of the calculation of the motor vehicle's total loss value, including the calculation of any value added to the motor vehicle by options

What if my Vehicle is a Total Loss?

- A list of all the deductions that will be made from the value of the motor vehicle.
- A copy of the inspection guidelines relied on to determine the condition of the vehicle at the time of the loss.

The insurance company is required by law to respond within seven business days of your request.

Settlement Offer

If you think your car is worth more than what the insurance company offered, you can negotiate with your insurance company. It's important to know that you must provide supporting documentation for your counteroffer. You can do this by getting quotes from car dealers or viewing prices and ads online for similar vehicles.

Settlement Offer

Vehicles that are determined by the insurance company to be a total loss must be labeled as "salvage vehicles." If you decide to keep the "salvage vehicle," your settlement offer will be reduced by the vehicle's salvage value. If you choose to retain a damaged vehicle that has been declared "salvage" the insurance company will request the following:

1. You must send your original title to the insurer before it will send you a settlement check.
2. The insurance company will notify the MVA that the vehicle has been declared salvage and the owner has retained possession of the vehicle.
3. A salvage certificate will be issued from the MVA.

Contact Information

Al Redmer, Jr., Maryland Insurance Commissioner

Office: 410-468-2090

Maryland Insurance Administration

1-800-492-6116

www.insurance.maryland.gov

Publications Available on MIA's Website

Check out the following publications for more information.

- An Insurance Preparedness Guide for Natural Disasters
- A Consumer Guide to Disaster-Relief Resources
- Should I Hire a Public Adjuster to Help Me Settle My Claim?
- Consumer Guide to Auto Insurance
- Property Damage – What to Do After A Loss
- Weather Related Damage – Frequently Asked Questions about Insurance Coverage

Questions?