

Rental Car and Vehicle Repair Tips

➤ Rental Car

The at-fault insurance company should arrange for a rental car until your vehicle is repaired or they pay you for the totaled vehicle.

➤ Should You Have Your Auto Insurance Company Repair Your Vehicle?

If you have collision coverage on your insurance policy, I always recommend clients use their own insurance to repair their vehicle. Your insurance company will be much easier to deal with on the property damage because they want you to remain a customer and keep paying for their insurance. Your insurance company will get repaid from the at-fault driver's insurance and you'll be spared the headache of dealing with it. If you have a deductible that is required, your insurance company must repay that to you once they recover the repair money from the at-fault driver's insurance. This will not increase your insurance rates as long as you were not at fault for the crash.

➤ If Your Car Can Be Repaired

The insurance company must pay for the repair of your vehicle. They do not have to repair the vehicle at the mechanic you choose. They can have a mechanic of their choosing repair the vehicle.



The insurance company must use parts to repair your vehicle that are equal in quality to the original part installed by the car manufacturer. You should tell the insurance company you want it repaired at the dealership, sometimes they will agree to this.

➤ If Your Car Is Totaled

If your vehicle will cost more to repair than it will be worth once repaired, or if the damage exceeds 75% of the pre-accident value, the insurance company will most likely claim it is 'totaled'. The insurance company must pay you what your vehicle was worth before the crash. If they try to low-ball you, you should go to Kelley Blue Book's

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website (www.KBB.com) and look up your vehicle's value. You should also look at www.AutoTrader.com at similar vehicles in your area to find selling prices. This information should be sent to the insurance adjuster in an effort to get them to increase their offer.

If you have collision coverage on your own auto insurance, I always recommend having your own auto insurance company pay you for the totaled vehicle. Your own company will be fair and much easier to deal with compared to the at-fault driver's company. Your company will be reimbursed by the at-fault driver's company.

Repaired Vehicle Decreased Value

When you eventually sell or trade in the vehicle from your crash, it will have an accident on its record that will cause it to have a lower value, even if the insurance repaired it well. This will cost you money when you sell or trade in your vehicle and the insurance company of the at-fault driver should pay you for this decreased resale/trade-in value.

You should make a decreased value claim with the insurance property damage adjuster.

Here is the formula: Value of your vehicle before the crash – Value of your vehicle after it is repaired = Diminished Value Amount

If you have collision coverage, this can sometimes be recovered from your own auto insurance company.

To find out the amount of diminished value, look up the pre-crash value on the Kelley Blue Book website (www.KBB.com). Also, see what prices similar vehicles are being sold for on AutoTrader.com.

Then take the vehicle to a local dealership to get a trade-in value estimate. The difference between the trade in value, the KBB.com and AutoTrader.com value will provide a good idea of the diminished value caused by the crash. Have the dealership print the trade-in estimate for you so you can send it to the insurance adjuster.

Once you have figured out the approximate diminished value, present this information to the insurance property damage adjuster and tell them they need to pay you for the diminished resale value of your vehicle. You must make this diminished value claim before you sign paperwork closing the property damage claim.

Still Owe Money On Your Car Loan After Insurance Pays?

The auto insurance company is only required to pay you the value of your vehicle the moment before the crash. Occasionally, this value is less than what you owe on the vehicle loan. Sometimes your auto loan company will wipe the extra amount clean if you call and explain the situation. If you purchased Gap insurance, this will pay off the balance due to on the loan if your car is totaled.

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