

STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 FREMONT STREET
SAN FRANCISCO, CA 94105

Bulletin No. 2002-4
August 23, 2002

TO: All Admitted Insurers Issuing Automobile Liability or Collision Policies

SUBJECT: Insurer Inspections of Auto Body Repairs

Pursuant to Insurance Code Section 1874.85, effective January 1, 2001, an insurer that issues automobile liability or collision policies shall inspect vehicles for which it has approved a claim for the cost of auto body repairs, either during the repair process or after the work has been completed. Insurance Code Section 1874.86 provides that each insurer subject to the provisions of Section 1874.85 shall report annually to the Department the following:

(a) The number of vehicles inspected pursuant to Section 1874.85 and the percentage that this number represents of the total number of vehicles for which it paid a claim for the cost of auto body repairs in the prior calendar year.

(b) The results of the inspections, including the nature of any fraud uncovered, and whether or not legal action was pursued.

For purposes of the 2001 calendar year reporting period, the deadline for submitting the required annual report is October 1, 2002.

Beginning January 2003, this information will be included in the general data call by the California Department of Insurance, Statistical Analysis Bureau and will be mailed to each insurer for the report of calendar year 2002.

The annual reports required by this bulletin only shall be mailed to:

California Department of Insurance
Criminal Investigations Branch
Attn: Local Assistance Unit
9342 Tech Center Drive, Suite 100
Sacramento, CA 95826

HARRY W. LOW
Insurance Commissioner

_____/s/_____
HARRY W. LOW