

July 1, 2010

## INSURANCE INFORMATION NOTICE NO. 2011-1

### SUBJECT: GUIDELINES FOR COLLISION AND COMPREHENSIVE CLAIMS ON STATE – OWNED LICENSED VEHICLES REPAIRED IN-HOUSE

*Before implementing these guidelines, an agency must be approved to operate an in-house repair facility. Please forward your written request for approval to ORM.*

#### **NOTIFICATION OF LOSS**

Agencies will provide ORM with Form DA2041 or fleet crash / accident notification within 48 hours of the vehicle crash / accident. This form is located at: [www.doa.louisiana.gov/orm/formscr.htm](http://www.doa.louisiana.gov/orm/formscr.htm)

E-mail all accident reports to: [ORM-DA2041@la.gov](mailto:ORM-DA2041@la.gov) . This report will describe the nature of the damage and whether or not the vehicle is drivable.

No agency employee labor cost will be considered. Material costs for parts, supplies and shipping expenses are reimbursable after providing an itemized worksheet and/or copy of pertinent invoices. Only state employees who possess experience in auto repairs should be engaged in the repair of state vehicles. The privilege of a state agency to do its own repairs may be revoked if substandard repairs are recognized by ORM.

#### **VEHICLE REPAIR ESTIMATES**

If the vehicle is drivable, the agency should secure two repair estimates. If the vehicle is not drivable, ORM may secure an independent appraisal and forego the need for shop estimates. If the vehicle is more than two years old, repairs should include the use of reconditioned parts. Should these not be readily available, aftermarket parts should be used. An exception will be made when a new part is necessary to maintain the mechanical safety of the vehicle.

#### **VEHICLE REPAIRS**

ORM should be contacted before repairs are started so that an evaluation of the feasibility of repair can be made based on the following criteria:

- The vehicle is older than five years and the repair estimate exceeds \$1,500.00.

or

- The vehicle is three to five years old and the repair estimate exceeds \$5,000.00.

The maximum amount ORM will pay shall not exceed the Actual Cash Value of the vehicle as determined by NADA book values. Upon compliance with the above process, repairs may be started. If during the course of repairs additional damage is discovered, the body shop should notify either the independent appraiser used for the original damage appraisal or ORM before proceeding with repairs so that the additional amount of damage may be documented and a decision made about continuing the repairs.

**NOTE: State owned licensed automobile physical damage claims are subject to a \$1,000.00 deductible.**

If you have any questions about this information, please contact Walter Lockhart at (225) 342-8466.