

# ALABAMA PROPERTY DAMAGE CLAIMS GUIDE



Collins Law<sup>LLC</sup>



At Collins Law, our primary focus is personal injury claims. Still, we understand that property damage claims often arise from the same accident. While our firm does not handle property damage claims directly, we allow our clients to work directly with the insurance company on these claims. This guide provides insight on the steps to take to successfully handle your property damage claim.





# Filing A Claim

Essentially, you have two claims if you are involved in an automobile accident while in your vehicle. 1. A Personal Injury Claim and 2. A Property Damage Claim. While you should always consult with an Attorney regarding your personal injury claim, you don't need an Attorney to resolve your Property Damage Claim.

The very first step in your property damage claims journey is filing the claim with the respective insurance companies. Our office will generally handle this for you. However, if you decide to file the claim on your own, remember to only provide the basic facts of the accident. Do not admit fault and do not give the insurance company a recorded statement. When your vehicle is damaged in an accident, you have the option of either working with your insurance company to resolve the property damage claim or working with the at-fault driver's insurance company to resolve the claim. While many people want to avoid filing a claim with their insurance, there are circumstances when you may want your insurance company to handle the property damage claim.

If the other party is uninsured or if you need a rental vehicle quickly and you have rental car coverage on your policy, using your own insurance will likely be the quickest process. The other party's insurance will want to investigate the facts of the accident before starting a property damage claim. This can take days or even weeks. Furthermore, it may be a smoother process to coordinate the claims process with your own insurance rather than the other party's since you are their customer. However, if you do not have rental car coverage on your policy or if you do not want your insurance company to handle the property damage claim, you may use the other party's insurance. Just remember the process may take longer.

Unfortunately, if the other party is uninsured and you do not have collision and/or rental car reimbursement on your insurance policy, you may not be fully compensated for the vehicle loss or provided with a rental car. In some cases, there may be no property damage compensation at all.

# Rental Car Assistance

If your vehicle is damaged to the extent that it is a total loss or requires repairs before becoming drivable, the at-fault driver's insurance company should cover the cost of a rental car. Your rental car should be a comparable substitute for your damaged vehicle. However, insurance companies may take time to investigate the claim before accepting liability. If there is a delay, check with your insurance provider to see if you have rental car coverage. If so, you may use your property damage coverage and seek reimbursement from the at-fault driver's insurance once liability is established. Please note that insurance companies typically only cover rental cars for a limited period. Ask the insurance adjuster for details regarding that time frame. If you are planning on using your insurance to cover a rental but only have liability coverage, double-check with your insurance agent that rental car expenses will be covered before accruing any out-of-pocket costs. Also once you start the property damage process with one insurer, you will likely have to finish that process with that same insurer. So be sure to check whether you have rental car coverage before allowing your insurance company to begin the property damage process.

Once your vehicle is repaired or declared a total loss, your right to rental reimbursement or to keep the rental car will be up. If your vehicle is totaled, you will likely be given up to 3 additional days of rental coverage. Any additional days that you keep the rental car will be an out-of-pocket expense to you. Make sure you have received specific communication from the claims adjuster regarding the rental car return date and that you adhere to that date.



# Loss of Use

In the event that you decide to not receive a rental car from the at-fault party's insurance company, you may be eligible to present a loss of use claim. "Loss of use" refers to the compensation a vehicle owner may receive for being deprived of their vehicle's use due to damage from an accident. This compensation typically covers the reasonable rental value of a similar vehicle during the repair period.

You may be required to present transportation receipts to be reimbursed for loss of use.

## Steps to Claim Loss of Use:

- 1. Notify the At-Fault Party's Insurance:** Inform the insurance company of the at-fault driver about your intention to claim loss of use damages. If you own or have access to another vehicle, do not inform the insurance company of this. They may argue that your access to another vehicle precludes you from claiming loss of use for the damaged vehicle.
- 2. Document Rental Expenses:** Keep detailed records of rental car expenses incurred during the repair period. If you choose not to rent a vehicle, document the daily rental value of a similar vehicle to support your claim.
- 3. Negotiate the Claim:** Present your documented expenses to the at-fault party's insurer. Be prepared to negotiate, providing evidence of the reasonable rental value and duration.



# Car Repairs: What You Need to Know

If your car is still drivable and not a total loss, insurance companies may recommend using one of their drive-through centers for an initial damage estimate. These centers only provide a surface-level evaluation and often underestimate repair costs.

## Steps to Ensure Proper Repairs:

1. Take your car to a repair shop of your choice for a detailed damage assessment.
2. The shop can remove parts like bumper covers and inspect the frame.
3. The shop will work with the insurance company to secure additional repair orders (supplements) to cover damages not included in the initial estimate.
4. If you receive a check from the insurance company for the initial estimate, do not cash it immediately — transfer it to the shop after all repairs are completed.

Some insurance companies may request photo submissions to estimate damages. These evaluations are similar to drive-through estimates and should not be relied upon for final repair assessments. Many insurance companies may push you toward their preferred repair shops, but you can choose your own shop without penalty. Additionally, do not hesitate to get a second opinion if the insurance estimate seems too low.

# How Property Damage Affects Your Injury Claim

Insurance adjusters consider vehicle damage when evaluating your personal injury claim. If your repair costs are low, they may argue that the impact was minor and unlikely to have caused serious injuries.

## To protect your injury claim:

- ➔ Get your vehicle repaired rather than keeping the initial check.
- ➔ Ensure all damage is thoroughly documented and supplemented by the repair shop.
- ➔ Avoid settling for a low estimate that may impact the credibility of your injury claim.

# What If My Car Is Totaled?

If your vehicle is declared a total loss, the at-fault driver's insurance company must pay you the fair market value of your car.



## How to Maximize Your Settlement:

1. Request a written market evaluation detailing how they determined your vehicle's value.
2. Review the data and make a counteroffer on the higher end of comparable vehicle values.
3. If you have full coverage, ask your insurance company for a valuation. If they offer a higher amount, you can accept their offer and let them seek reimbursement from the at-fault insurer.
4. If using your own insurance, inquire whether your deductible can be waived or reimbursed by the at-fault insurer.
5. If your vehicle had customizations or aftermarket additions, provide documentation to ensure you receive full value. (For example, if your vehicle has power seats or a sunroof, ensure that is reflected in the valuation)
6. Ensure the mileage, condition of the vehicle and other data from the insurance evaluation is accurate.



If you have an outstanding loan on the vehicle and you owe more to the vehicle lender than the fair market value of the car, the insurance company will only pay the fair market value of the vehicle. If this is the case and you have Guaranteed Asset Protection (GAP) insurance, it will cover the difference between what you owe and the value of the vehicle. If you do not have GAP insurance, you are responsible to pay the balance due on the loan even though you no longer have the car.

GAP Insurance is also helpful when the fair market value of your vehicle exceeds the property damage limit that the insured purchased with their insurance company. The minimum insurance property damage limit is \$25,000.00, which is what is purchased by most customers. If the property damage exceeds the limits, you may be responsible for any additional amount owed to a lender.



## Diminished Value Claims

You may have a diminished value claim if your vehicle loses value even after repairs.

### To pursue this:

1. Obtain a post-repair appraisal to determine how much value your vehicle has lost. You may use a company like Evers & Associates 205-824-3336 or any professional insurance appraiser near you.
2. Present the appraisal report to the at-fault driver's insurance adjuster.
3. If you need assistance finding an appraiser, our office can provide recommendations. Appraisal fees typically range from \$175 to \$250.

Diminished value claims generally apply to newer vehicles with significant damage, but it doesn't hurt to check to see if it is an option for your situation.

# Duty to Mitigate

If the insurance investigation takes an unusual amount of time to resolve, you should not leave your vehicle at a tow yard or storage facility. You have the duty to mitigate damages by promptly moving your vehicle from a tow yard to avoid unnecessary storage fees. Insurance companies typically cover reasonable towing and storage costs, but excessive fees due to delays may not be reimbursed. Here's what you should do:

- 1. Check Insurance Coverage** – Contact the insurer to confirm what storage fees they will cover and if they have a preferred location for moving the vehicle.
- 2. Act Quickly** – Most insurers only cover a few days of storage. You should arrange to move the vehicle to a repair shop, your home, or another location as soon as possible.
- 3. Document Everything** – Keep records of communication with the tow yard, insurer, and any receipts related to moving the vehicle.

Failing to move the vehicle in a timely manner could result in out-of-pocket costs, as insurers may argue the client did not take reasonable steps to minimize expenses.





# More Tips

## Personal Property

Personal property items that were damaged or destroyed in the accident may be reimbursed in the property damage claims process. Broken phones and damaged eyewear are some common examples of personal property that are damaged in an accident. Ensure that you provide receipts of the destroyed item(s) to the claims adjuster for reimbursement.

## Car Seats

If you were involved in an accident and had a car seat in your vehicle, it is crucial to replace it, even if it appears undamaged. This should be done even if a child was not in the seat during the accident. Car seats are designed to withstand only one crash, and their safety can be compromised even in minor collisions. To ensure your child's protection, discard the old car seat and purchase a new one. Keep the receipt from your purchase and provide it to your insurance adjuster, as many insurance policies offer reimbursement for car seat replacements after an accident. Your child's safety is the top priority, so never take chances with a potentially compromised seat.

## Commercial Vehicles

For work vehicles such as limousines or commercial trucks, additional compensation may be available for lost income due to the vehicle being out of service. Evidence or supports of the lost income will be vital.

If you are a current injury client of our firm, please contact our office with any further questions or if you need assistance navigating your property damage claim. While we do not handle these claims directly, we are happy to provide guidance and connect you with the right resources.

\*It is important to note that if you go through your own insurance for repairs or a total loss, your insurance company will seek reimbursement from the at-fault party, including reimbursement of your deductible.\*



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