



Determining your car's value and cost of repair

To optimize your insurance claim, understand the valuation and repair process

Auto Insurance

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After an automobile accident, you want to make sure that you are adequately paid for the repair or for the

value of your totaled car. Here's how.

After an automobile accident, you want to make sure that you are adequately paid for the repair or for the value of your totaled car.

Know your car's value

There are several guides to determine the current value of your car for insurance purposes—for example, Kelley Blue Book, and the National Association of Automobile Dealers' NADA Guides.

Note that most standard auto policies will not pay to repair a vehicle if it is "totaled"—that is, if the repairs cost more than the cash value assigned to the car. It is up to your insurer to decide whether to pay for repairing your car or to declare it a total loss and pay you its book value.

However, you may be able to make a case that the pieces of the car were worth more than the book value and so increase your settlement. To do that, you'll have to submit evidence such as mileage records, service history and affidavits from mechanics to show that your car was worth more than a typical car of its make and model.

Understand the claims repair process

When you file your claim, your insurance company will refer you to a claims adjuster, who will verify the loss and make an initial determination on what it will cost to repair the car.

- **The adjuster's estimate is a benchmark, not a total claim payment.** The insurance company will not expect you to accept their adjuster's estimate until you've established to your own satisfaction that it will cover the cost of repair, so don't feel pressured.
- **The insurer will expect you to get at least one estimate** from your mechanic, garage or car dealer, to compare to theirs.
- **Your insurance company may opt to pay for the lowest bid**, so don't be surprised. Just as you want to be sure your car is adequately repaired, they want to make sure they don't pay a grossly inflated repair bill. Note that one factor that could reduce the amount of your claim for a repair job is what insurance companies call betterment. If your old car is repaired with brand-new parts, your insurer may argue that the repairs have actually enhanced the car's value and therefore they can legitimately reduce your claim by the difference between a used part and a new one.
- **Your insurer can't require you to have repairs done at a particular shop**, but they can insist that you get more than one estimate for the work to be done on your car if they feel the estimate you received is too high.
- **You can negotiate, if necessary.** You don't have to accept it if you believe the amount won't adequately repair your car. Don't hesitate to make your points with the adjuster if the repair estimate is too low based on what your mechanic has told you.

Additional Resources

Kelley Blue Book NADA Guides

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