

Getting Your Car Back

So your car was crashed or stolen, and you filed a claim with an insurance company. Now what?

It all depends. If you own your vehicle, have collision insurance, and filed a first-party claim with your own insurance company, it may issue a check either to you, the shop that repairs your vehicle, or to both of you. If you have a lease or a loan, the lending institution may be named on the check. Of course, you will also have to pay your deductible.

If your car was stolen, be prepared to wait. Most insurance companies will impose a waiting period to see if your car is recovered. If your car is still missing after the waiting period, usually 21 days, you should receive a settlement soon after. If your car is recovered during the waiting period, the insurance company will take into account the repair estimate before deciding how to proceed.

After an accident or theft recovery, the insurance company may decide your car is "totaled," which means the estimate of repairs exceeds the car's value. At this point, the insurance company will likely issue a check for your car's value. It gets to keep your car unless you make arrangements to buy it back as is.

If you have a loan or a lease, the insurance company may make the check out to both you and the financial institution. If the car is totaled, the lender gets what it is owed and you get what's left over. If your car is repairable, the dealings with your lender may get more complicated. If the insurance company issues a check in your name and the lender's name, you'll need to have the lender endorse it. The lender may want to send an inspector to verify that the vehicle was returned to an insurable condition. If the lender is in another city, you may have to mail photographs, repair bills, and other documentation along with the check. The process could delay the return of your vehicle because the body shop isn't going to release it until the lender endorses the check. So, you may be caught in the middle. Consider making arrangements for this process as far in advance as possible. Find out what proof the lender requires, and then make any necessary appointments with inspectors or the lender to cut down on unexpected delays.

If you were not at fault in the accident, you will make a third-party claim to the at-fault driver's insurance company. The payoff may be much simpler. Because you are the claimant, the insurance company typically will issue the check directly to you. It's your responsibility to pay the repair shop and the lender.

If you know what to expect during the claims process, you may be able to minimize delays and get your car back on the road — and your life back on track — as soon as possible.

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