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How to File a Diminished Value Claim After a Car Accident?



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Thursday, October 19, 2023

Car accidents can be a harrowing experience, and the aftermath can often involve navigating a maze of insurance claims and repair processes. One aspect that is sometimes overlooked is diminished value, which is a reduction in the resale value of your vehicle due to its involvement in an accident.

If your car's market value has dropped after an accident, you might be eligible to file a diminished value claim. In this article, we will explore what diminished value is, who can file a claim, and how to calculate and pursue a diminished value claim effectively.

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How Do I Claim Diminished Value After a Car Accident?

After a car accident, you may wonder if you're entitled to compensation for the diminished value of your vehicle. Here's how to go about it:

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1. **Determine Fault:** The first step in claiming diminished value is to establish who was at fault for the accident. If the other party is responsible, you can typically file a diminished value claim with their insurance company. However, if you caused the accident, you may not be able to file a diminished value claim with your own insurer.
2. **Ownership:** Ensure that you own the vehicle in question. Leased vehicles are generally not eligible for diminished value claims.
3. **Vehicle Age and History:** If your vehicle is relatively new (less than 10 years old) and had no prior history of accidents, you may meet the criteria for filing a diminished value claim.
4. **Check the Title:** Cars with rebuilt or salvage titles may not be eligible for diminished value claims.
5. **Insurance Coverage:** If you are in an accident with an uninsured or underinsured driver, you may be able to file a diminished value claim with your own insurer if you have uninsured motorist property damage coverage.
6. **Know State Regulations:** Familiarize yourself with the specific rules for diminished value claims in your state. Some states require the other driver to be at fault, while others, like Georgia, allow you to file a diminished value claim regardless of fault.

Once you've determined your eligibility, the next steps involve calculating the diminished value and preparing your claim.

What Is Diminished Value?

Diminished Value, also known as Loss in Value, refers to the decrease in the resale value of a vehicle caused by an accident or incident like a collision, fire, flood, or hail damage. While cars naturally depreciate over time, an accident accelerates this process, causing an immediate and significant drop in the market value of the vehicle.

Diminished value claims are a way to recoup the financial loss resulting from this reduced value. These claims are typically filed with the at-fault driver's insurance company and aim to recover the difference between the vehicle's pre-accident value and its post-repair value.

Who Can File a Diminished Value Claim?

Not everyone is eligible to file a diminished value claim. To determine if you qualify, consider the following factors:

- **Fault:** If the other party was responsible for the accident, you can generally file a diminished value claim with their insurance company. However, if you caused the accident, you typically can't file a diminished value claim against your own insurance policy.
- **Ownership:** You must own the vehicle to file a diminished value claim. Leased vehicles are usually not eligible.
- **Vehicle Age:** If your vehicle is relatively new (less than 10 years old) and did not have a prior history of accidents, you may qualify to file a diminished value claim.
- **Title:** Cars with rebuilt or salvage titles may not be eligible for diminished value claims.
- **Insurance Coverage:** If you are in an accident with an uninsured or underinsured driver, you may be able to file a diminished value claim with your own insurer if you have uninsured motorist property damage coverage.
- **State Regulations:** Diminished value claim rules vary by state. Most states require the other driver to be at fault for you to file a claim, but in some, like Georgia, you can file a diminished value claim regardless of fault.

Learn more about whether you qualify for Diminished Value.

How to Calculate Diminished Value

Calculating diminished value can be a complex process, but it's essential to ensure you receive fair compensation for your loss. Here are the steps involved in calculating diminished value:

- **Determine Pre-Accident Value:** Use reputable sources like the National Automobile Dealers Association (NADA) or Kelley Blue Book to find the pre-accident value of your vehicle. This is the starting point for your calculation.
- **Assess Post-Repair Value:** After your vehicle has been repaired, determine its post-repair value. You can use the same sources to estimate this value. The

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difference between the pre-accident value and post-repair value represents the diminished value.

- **Obtain Expert Appraisal:** To strengthen your claim, consider obtaining an appraisal from a third-party expert. This appraisal can provide an unbiased assessment of your vehicle's diminished value, which can be persuasive when negotiating with the insurance company.
- **Gather Documentation:** Maintain thorough documentation of the accident and repair process, including photographs, repair invoices, and any additional evidence that supports your diminished value claim.
- **Consult the Insurance Company:** Reach out to the at-fault driver's insurance company to initiate the claim process. Be prepared to provide the documentation and evidence you've gathered to substantiate your claim.

By following these steps, you can effectively calculate the diminished value of your vehicle and pursue a claim with confidence. Remember that the process may vary slightly depending on your location and specific circumstances, so it's essential to familiarize yourself with your state's regulations and consult with professionals if needed.

Check here our online [Diminished Value Calculator](#).

In conclusion, understanding diminished value and the process of filing a claim is essential for anyone involved in a car accident. By following the guidelines and ensuring you meet the eligibility criteria, you can recover the financial loss caused by the reduction in your vehicle's market value, ultimately helping you navigate the complex aftermath of an accident.