

How Auto Tariffs Are Driving Up Georgia Car Values and What It Means for Your Diminished Value Claim

If you were in a car accident in Georgia in the past year or two, there is a good chance your diminished value claim is worth more than you realize. Auto tariffs that took effect in 2025 placed significant pressure on vehicle pricing across the board, and that ripple has moved straight into the used car market. Understanding what that means for your claim is not complicated, but most drivers miss it entirely because their insurance company has no incentive to bring it up.

What the 2025 Auto Tariffs Actually Did to Car Prices

The 2025 tariff measures placed a 25% duty on imported vehicles and a separate levy on foreign-made auto parts. That sounds like a new car problem, but the effects spread well beyond dealership lots. When new vehicle prices rise, buyers who cannot find or afford a new car shift to the used market. More demand for used vehicles pushes used prices up. The result is a Georgia used car market that has been holding values at levels that, just three years ago, would have looked unusually high.

According to vehicle valuation data, used vehicle values have remained elevated well into 2026, defying earlier expectations of a sharper correction. For Georgia drivers, this means their vehicle was likely worth more at the time of their accident than standard depreciation models would suggest.

Why New Car Prices Set the Floor for Used Car Values

New and used vehicle prices are linked. When a new Toyota RAV4 or Chevrolet Silverado costs 10 to 15 percent more because of import duties on parts and finished vehicles, the three-year-old version of that same model holds its value better. Buyers see the used option as more attractive and prices respond accordingly. This has played out across every major vehicle segment in Georgia, from midsize sedans to full-size trucks.

The practical consequence: the pre-accident market value of your car, which serves as the baseline for calculating your diminished value claim, is likely higher than it would have been in a normal market cycle. That matters because diminished value is calculated as a percentage of that baseline. A higher baseline means a larger dollar amount on the table.

How This Directly Affects Your Diminished Value Claim in Georgia

The Market Value Baseline Is the Starting Point for Everything

Diminished value is the gap between what your car was worth before the accident and what it is worth after repairs. The 'before' figure is driven by what a willing buyer would pay for your specific vehicle in your specific market at the time of the loss. In an inflated market, that number is higher.

A vehicle that might have appraised at \$22,000 in a normal market could be sitting at \$25,500 or more when tariff-driven demand is propping up prices. If the accident caused moderate damage plus structural work, the stigma attached to that repair history does not shrink because prices are high. But the dollar value of what was lost increases because the starting point is higher.

Worth knowing:

Georgia law gives you the right to claim diminished value from the at-fault party's insurance. The amount you recover depends directly on the accuracy of your pre-accident valuation. An inflated market works in your favor, but only if the right number is properly documented by an independent appraiser.

Insurers Are Not Going to Point This Out

The at-fault driver's insurance company has one goal in a diminished value negotiation: settle for as little as possible. They have no reason to flag the fact that tariff-driven market conditions make your pre-accident value higher than their initial estimate assumes. Many adjusters rely on automated valuation tools that lag behind real market data, which means their first offer may be built on a suppressed baseline that does not reflect what your car was actually worth on the day of the accident.

If an insurer has already pushed the 17c formula at you, that is a separate problem. That method caps the maximum diminished value at 10% of the vehicle's pre-accident value before applying heavy modifiers that almost always shrink the number further. Independent appraisers consistently produce higher, more accurate results.

The Numbers: How a Higher Vehicle Value Changes Your Claim

The table below compares how the same accident scenario plays out under pre-tariff and post-tariff market conditions. The damage and repair cost are identical. The only variable is the pre-accident market value.

Scenario	Pre-Accident Value	Repair Cost	Estimated DV Range
Pre-tariff market (2022-2023)	\$21,500	\$4,200	\$1,800 to \$2,700
Post-tariff market (2025-2026)	\$25,800	\$4,200	\$2,300 to \$3,500
Difference	+\$4,300 in vehicle value	No change	Up to \$800 more recoverable

Figures above are illustrative estimates based on typical DV recovery percentages. Actual results depend on vehicle make, model, damage severity, repair quality, and appraiser methodology.

This is not theoretical. The inflated values reflected above show up in actual transaction data from Georgia dealerships and private sales.

Georgia's Statute of Limitations: Why Waiting Costs You

Georgia gives you four years from the date of the accident to pursue a diminished value claim. That sounds like plenty of runway, and many drivers assume they can address it whenever things settle down. The problem is that the market conditions currently supporting your pre-accident value are not guaranteed to last.

If tariff policies shift or supply chains normalize, used car values in Georgia could ease. If that happens before you file, an appraiser will need to reconstruct what the market looked like at the time of your accident, which adds complexity and potential points of dispute. Getting an independent appraisal now, while current data directly supports elevated values, is a much cleaner position to be in.

What Georgia Drivers Should Do Right Now

If you have been in a not-at-fault accident in Georgia and have not yet filed a diminished value claim, here is what actually moves the needle:

- **Do not accept the insurer's first offer.** The first number they put in front of you is a starting point for them, not a fair settlement. It is almost always built on a methodology designed to minimize the payout, often including an outdated or suppressed vehicle valuation.
- **Get an independent appraisal before signing a release.** Once you sign, the claim is closed. A professional appraisal establishes what you are actually owed before you surrender your right to pursue it.
- **Pull together your vehicle's pre-accident documentation.** Service records, a clean vehicle history report, and any recent upgrades all support a stronger pre-accident valuation. The better documented your vehicle was, the easier it is to establish a high baseline.

- **Understand what Georgia actually allows.** Not every driver in every state can pursue a first-party diminished value claim. Georgia is one of the better states for DV recovery, but knowing what to ask for and how to document it matters.
- **Act while the market is in your favor.** Tariff-driven vehicle values are not a permanent feature of the market. The conditions that make your pre-accident value higher than normal may not persist through the full four-year window you technically have.

Will Tariff-Driven Prices Last? The Honest Read

Nobody has a definitive answer on when prices will correct or by how much. Trade policy is unpredictable, and even partial rollbacks tend to move slowly through the supply chain before showing up in used car transaction data. Inventory levels, import volumes, and broader economic conditions all play a role. What is clear is that the market right now benefits anyone in Georgia with a pending or unfiled diminished value claim.

For a broader look at how vehicle depreciation is unfolding in this environment, our overview of 2025 car value depreciation trends covers the landscape in detail and gives Georgia drivers useful context for what to expect as the market eventually normalizes.

The bottom line: if you are sitting on a diminished value claim in Georgia, the current market is working in your favor. Getting an independent appraisal now locks in the conditions that support a stronger number. Waiting means relying on historical reconstruction later. That is a harder case to make and an easier one for the insurer to push back on.

Find Out What Your Claim Is Worth Before the Market Changes

Georgia vehicle values are elevated right now. An independent appraisal locks in today's market conditions and gives you a number the insurer cannot ignore.

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Frequently Asked Questions

Do auto tariffs actually affect how much I can recover in a diminished value claim in Georgia?

Yes, indirectly but meaningfully. Tariffs have pushed up the market value of used vehicles in Georgia. Since diminished value is calculated as a percentage of your vehicle's pre-accident market value, a higher baseline translates directly into a larger potential recovery. The damage and stigma attached to your car's accident history are the same, but the dollar value of that loss increases when the starting point is higher.

How is pre-accident market value determined for a Georgia diminished value claim?

A professional appraiser uses current comparable sales data, local market conditions, and your vehicle's specific characteristics, including make, model, mileage, condition, and options, to establish what it was worth immediately before the accident. This is different from what automated insurer tools produce, which often rely on national averages and lag behind real market conditions. In an elevated market like the current one, that difference matters.

The insurer already settled my repair claim. Can I still file for diminished value in Georgia?

In most cases, yes, as long as you did not sign a general release when accepting the repair settlement. A repair settlement and a diminished value claim are separate matters. However, if you signed any document releasing all claims against the at-fault party or their insurer, that may close the door. Review any paperwork you signed before assuming either way, and consult with a professional if you are unsure.

How long do I have to file a diminished value claim after an accident in Georgia?

Georgia's statute of limitations for property damage claims is four years from the date of the accident. That window applies to diminished value as well. Four years sounds like a long time, but filing sooner works in your favor. Current market data is easier to use and harder to dispute than historical reconstruction. If tariff-driven prices ease before you file, the case for your elevated pre-accident value becomes more complicated to make.

Will a professional appraisal actually change what the insurer pays?

It regularly does. Insurers count on most drivers either not filing at all or accepting the first offer without question. A professional appraisal backed by current market data and a signed report from a credentialed appraiser puts pressure on the settlement process. It gives you documentation to push back on a lowball offer and, in some cases, a foundation for further dispute resolution. The first offer from an insurer is a negotiating position, not a final number.