Commercial and Rideshare Vehicle Diminished Value Claims in Georgia: What Uber and Lyft Drivers Need to Know

Atlanta has one of the largest rideshare driver populations in the Southeast, and most of those drivers have no idea how their diminished value rights change the moment they turn on the Uber or Lyft app. If you drive for a living, or even part-time to supplement your income, and someone hits you while you are logged in, the diminished value math and the insurance path you take to get there look nothing like a standard personal accident claim.

Here is what Georgia rideshare and commercial drivers need to understand about diminished value, why the app status at the moment of impact changes everything, and how to protect a claim that most drivers walk away from without realizing what it was worth.

Why Rideshare Accidents Are Not Standard Diminished Value Claims

A **standard diminished value claim in Georgia** is relatively straightforward: another driver hits you, their liability insurer is responsible for your repair costs and the resulting drop in your vehicle's market value. Rideshare accidents add a layer most drivers never think about until they need it. Georgia law under O.C.G.A. Section 33-1-24 requires transportation network companies like Uber and Lyft to carry different levels of insurance coverage depending on exactly what the driver was doing on the app at the moment of the crash.

That distinction is not a technicality. It determines which insurance policy is primary, how much coverage applies, and in some cases whether your diminished value claim gets paid promptly or gets caught in a dispute between your personal insurer and the rideshare company's carrier over who is actually responsible.

> *The single most important fact in any rideshare accident investigation is which "period" the driver was in when the crash happened. A difference of a few seconds in app status can completely change which insurance policy applies and how a diminished value claim should be filed.*

The Three Periods That Determine Your Coverage

Georgia's rideshare insurance framework divides a driver's app status into three distinct periods, and each one carries different coverage requirements and different insurance responsibility.

Period	App Status	Primary Coverage
Period 1	App on, waiting for a ride request	Limited TNC liability only; no collision or comprehensive on your vehicle
Period 2	Ride accepted, en route to pick up passenger	TNC insurance becomes primary at higher limits
Period 3	Passenger in the vehicle, trip in progress	TNC insurance primary, typically up to $1 million in liability coverage

Period 1 is where most Georgia rideshare drivers get caught off guard. The moment you go online and start waiting for a fare, your personal auto policy's collision and comprehensive coverage typically does not apply, since most standard policies explicitly exclude commercial or paid passenger transport activity. At the same time, Uber and Lyft's contingent liability coverage during this period is limited and generally does not include collision coverage for your own vehicle. That combination creates a real coverage gap for the vehicle itself, even though third-party liability is technically in place.

Once you accept a ride and move into Period 2 or Period 3, the rideshare company's insurance becomes primary and the coverage limits increase substantially, commonly up to $1 million in liability once a passenger is in the vehicle. This is also the point where, if another driver causes the accident, your diminished value claim path becomes closer to a standard third-party claim, filed against the at-fault driver's insurer.

Why Your Personal Insurer May Deny the Claim Entirely

Here is the detail that catches the most Georgia drivers by surprise. If you are in an accident while logged into the rideshare app and you never disclosed that commercial activity to your personal auto insurer, your insurer has grounds to deny the claim outright, regardless of who caused the crash. Georgia law allows insurers to cancel or deny coverage on personal policies when the vehicle was being used for commercial purposes the policy did not account for.

This is why insurance professionals who work with Georgia rideshare drivers consistently recommend disclosing rideshare activity to your personal insurer and adding a rideshare endorsement, or moving to a hybrid or commercial policy designed for the activity. Without it, you are relying entirely on the rideshare company's insurance, which, as the period breakdown above shows, has real gaps depending on your exact app status at the time of the crash.

> *A rideshare endorsement typically costs a fraction of what a full commercial policy costs and closes the Period 1 gap specifically. For drivers doing this regularly, it is the difference between a fully covered vehicle and a coverage dispute at the worst possible time.*

How Diminished Value Actually Applies to a Rideshare Vehicle

The core right to diminished value compensation does not disappear because you drive for Uber or Lyft. If another driver caused the accident and your vehicle was repaired, you are still entitled to pursue the difference between your car's pre-accident market value and its value after the accident, the same right any Georgia driver has following the **Mabry precedent** that established this right in Georgia. What changes is which insurance policy you are filing against and how that policy's claims process handles vehicles used commercially.

There is an added financial dimension unique to rideshare and commercial drivers: lost income during the repair period. A personal driver without a car for two weeks is inconvenienced. A rideshare driver without a car for two weeks has lost two weeks of income entirely. While that lost income claim is a separate matter from diminished value itself, both losses stem from the same accident and both deserve to be pursued rather than absorbed quietly.

Vehicle history is also a bigger factor for rideshare drivers than for the average Georgia car owner. Rideshare vehicles accumulate mileage far faster than personal vehicles, and buyers and platforms alike scrutinize accident history closely on a car that has effectively been a small business asset. A documented, independent diminished value appraisal matters more here, not less, because the vehicle's resale and trade-in value directly affects the driver's ability to replace it and keep working.

What to Do If You Are in an Accident While Driving for Uber or Lyft

- Take a screenshot of your app status immediately after the accident, showing whether you were offline, waiting for a ride, en route to a pickup, or actively transporting a passenger. This single piece of evidence often determines which insurance policy applies.
- Report the accident to Uber or Lyft through the app's safety reporting feature, in addition to filing a standard police report.
- Notify your personal auto insurer of the accident and your rideshare activity, even if you believe the rideshare company's policy should be primary. Failing to disclose can create separate problems with your personal coverage down the line.
- Do not accept a quick settlement offer from any insurer, personal or commercial, until you understand which policy is actually responsible and what your vehicle's diminished value loss is worth.
- Get an independent diminished value appraisal before finalizing any settlement, particularly given how much a rideshare vehicle's earning potential depends on its condition and resale value.

The Bigger Picture for Atlanta's Rideshare Drivers

Metro Atlanta's rideshare driver population is large enough that insurers and rideshare companies alike have built entire claims processes specifically around this three-period framework, and that framework exists precisely because personal and commercial coverage were never designed to overlap cleanly. Most drivers learn how the gaps work only after an accident forces them to, at exactly the moment they can least afford a coverage dispute.

Understanding your app status at the moment of impact, confirming your personal policy accounts for rideshare activity, and pursuing diminished value with the same seriousness as any other driver are the three things that separate rideshare drivers who recover what they are owed from the ones who quietly absorb the loss.

Drive for Uber or Lyft? Know What Your Vehicle Is Really Worth.

Get a free, no-obligation diminished value estimate from Georgia's most trusted appraisers, whether your accident happened on a personal trip or while driving for a rideshare platform.

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Frequently Asked Questions

Does my diminished value right disappear if I was driving for Uber when I got hit?

No. Your right to pursue diminished value compensation exists regardless of whether you were driving personally or for a rideshare platform, as long as another driver was at fault. What changes is which insurance policy your claim is filed against, based on your app status at the time of the accident.

What happens if I was just waiting for a ride request when I got hit?

This is Period 1 under Georgia's rideshare insurance framework, and it is the riskiest phase for drivers. Uber and Lyft's coverage during this period is limited and generally does not include collision coverage for your own vehicle, while your personal policy may exclude coverage entirely if it was not written to account for rideshare activity. A rideshare endorsement on your personal policy is specifically designed to close this gap.

Do I have to tell my personal insurance company that I drive for Uber or Lyft?

Yes. Failing to disclose rideshare activity to your personal auto insurer can result in a denied claim if you are in an accident, since most standard personal policies exclude commercial or paid passenger transport. Many insurers offer specific rideshare endorsements or hybrid policies designed to close this gap without requiring a full commercial policy.

Can I recover lost income in addition to diminished value if my rideshare car is damaged?

Lost income during the repair period is a separate claim from diminished value, but both stem from the same accident and both are worth pursuing. Diminished value addresses the permanent drop in your vehicle's resale value; lost income addresses the earnings you missed while the car was out of service. Keep documentation of your typical earnings to support this claim.

Which insurance company handles my diminished value claim if I was transporting a passenger at the time?

During Period 3, when a passenger is actively in the vehicle, the rideshare company's insurance is primary and typically provides up to $1 million in liability coverage. If another driver caused the accident, your diminished value claim would generally be filed against that driver's liability insurer, similar to a standard third-party claim, though the interaction with the rideshare company's policy can add complexity worth discussing with a professional.