



DIMINISHED VALUE CLAIMS: **INDIANA**

SUMMARY Indiana Claims

Statute of Limitations: 2 years

Third Party Diminished Value Claim: Yes

First Party Diminished Value Claim: No, most insurance policies will exclude diminished value

Indiana Property Damage Minimum Limits: \$25,000 in coverage

Uninsured Motorist Coverage for Diminished Value: Yes, insurers are required to offer UMPD, but it can be rejected in writing if you don't want that coverage. \$25,000 in uninsured motorist property damage per accident. No coverage for hit and run.

Underinsured Motorist Coverage for Diminished Value: Yes, \$25,000 in underinsured motorist property damage, but it can be rejected in writing. This coverage comes in handy when the at-fault insurance company doesn't have enough property damage coverage.

Indiana Small Claims Court Limit: \$10,000, attorney representation and appeals are permitted.

If your vehicle was damaged in an accident in the state of Indiana and underwent repairs, its resale value is likely to be less than what it was before the crash. This loss in market value is known as diminished value, and it is recoverable in Indiana through a diminished value claim filed with the at-fault party's insurance company. If the other driver was uninsured, you can also file a diminished value claim with your own insurance company.

INDIANA DIMINISHED VALUE LAW

Indiana is a diminished value state meaning there is case law supporting your legal right to compensation when another party is at-fault.

If the other driver was uninsured or underinsured, your policy may include coverage for diminished value as well.

Wiese-GMC, Inc. v. Wells, 626 N.E.2d 595 (Ind. Ct. App. 1993)

In summary, the fundamental measure of damages in a situation where an item of personal property is damaged, but not destroyed, is the reduction in fair market value caused by the negligence of the tortfeasor. This reduction in fair market value may be proved in any of three ways, depending on the circumstances.

First, it may be proved by evidence of the fair market value before and the fair market value after the causative event. Secondly, it may be proved by evidence of the cost of repair where repair will restore the personal property to its fair market value before the causative event.

Third, the reduction in fair market value may be proved by a combination of evidence of the cost of repair and evidence of the fair market value before the causative event and the fair market value after repair, where repair will not restore the item of personal property to its fair market value before the causative event.

Indiana Code Title 27. Insurance § 27-7-5-2

(1) in limits for bodily injury or death and for injury to or destruction of property not less than those set forth in IC 9-25-4-5 under policy provisions approved by the commissioner of insurance, for the protection of persons insured under the policy who are legally entitled to recover damages from owners or operators of uninsured or underinsured motor vehicles because of bodily injury, sickness or disease, including death, and for the protection of persons insured

under the policy who are legally entitled to recover damages from owners or operators of uninsured motor vehicles for injury to or destruction of property resulting therefrom; or UMPD coverage is for the insured who is "legally entitled to recover damages from owners or operators of uninsured motor vehicles for injury to or destruction of property resulting therefrom." Ind. Code §27-7-5-2(a)(1).

As a condition precedent to UMPD coverage, the insured must establish that there is no insurance policy covering the tortfeasor or motor vehicle.

See *Michael v. Wolfe*, 737 N.E.2d 820, 822 (Ind. Ct. App. 2000).

Dunn v. Meridian Mut. Ins. Co., 836 N.E.2d 249 (Ind. 2005)

Court ruled that diminished value is covered by your UIM policy when the at-fault driver is uninsured.

HOW TO FILE A DIMINISHED VALUE CLAIM IN INDIANA

Typically, diminished value claims are brought against the at-fault driver's insurance company.

Step 1. Prove your loss. You must supply evidence that you have lost value. An independent, unbiased appraisal will provide the documentation necessary to determine the diminished value of a vehicle.

Step 2. Submit a diminished value appraisal and demand letter for review.

Step 3. Settle your claim.