



## DIMINISHED VALUE CLAIMS: **LOUISIANA**

### **SUMMARY** Louisiana Claims

**Statute of Limitations:** 1 year

**Third Party Diminished Value Claim:** Yes

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

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

**Uninsured Motorist Coverage for Diminished Value:**

You may only purchase UMPD if you do not have collision coverage on your policy. It's an optional coverage. It includes coverage for hit and run drivers that flee the scene, but there must be physical contact between the vehicles.

**Underinsured Motorist Coverage for Diminished Value:** Yes, this coverage comes in handy when the at-fault insurance company doesn't have enough coverage.

**Louisiana Small Claims Court Limit:** \$5,000, attorney representation is permitted. You have no right to appeal the court's decision.

If your vehicle was damaged in an accident in the state of Louisiana and underwent repairs, its resale value is likely to be less than what it was before the crash. This holds true even if your vehicle was perfectly repaired and looks as good as new. This loss in market value is known as diminished value, and it is recoverable in Louisiana through a diminished value claim filed with the at-fault party's insurance company.

#### **LOUISIANA DIMINISHED VALUE LAW**

Louisiana is a diminished value state meaning there is case law supporting your legal right to compensation when another party is at-fault. You have one year from the date of loss to file a diminished value claim.

2011 Louisiana Laws

Revised Statutes

TITLE 9 — Civil code-ancillaries

RS 9:2800.17 — Liability for the diminution in the value of a damaged vehicle

§2800.17. Liability for the diminution in the value of a damaged vehicle

Whenever a motor vehicle is damaged through the negligence of a third-party without being destroyed, and if the owner can prove by a preponderance of the evidence that, if the vehicle were repaired to its pre-loss condition, its fair market value would be less than its value before it was damaged, the owner of the damaged vehicle shall be entitled to recover as additional damages an amount equal to the diminution in the value of the vehicle. Notwithstanding, the total damages recovered by the owner shall not exceed the fair market value of the vehicle prior to when it was damaged, and the amount paid for the diminution of value shall be considered in determining whether a vehicle is a total loss pursuant to R.S. 32:702.

In other words, a vehicle owner can recover the diminished value and the cost to repair the vehicle.

#### **HOW TO FILE A DIMINISHED VALUE CLAIM IN LOUISIANA**

**Step 1.** Proof of loss. It's your responsibility to prove the repaired vehicle is worth less than before the accident.

**Step 2.** File a diminished value claim. By filing a diminished value claim through the at-fault party's insurance company, you can get back your car's lost value following an accident. The sooner you file your diminished value claim, the better. Submit the appropriate documents for review (diminished value appraisal and demand letter).

**Step 3.** Negotiate a settlement. Because diminished value claims are complex, the more documentation you have, the more you might experience success when making a claim.