



DIMINISHED VALUE CLAIMS: **KENTUCKY**

SUMMARY Kentucky 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

Kentucky Property Damage Minimum Limits: \$10,000 in coverage

Uninsured Motorist Coverage for Diminished Value: No coverage

Underinsured Motorist Coverage for Diminished Value: No coverage

Kentucky Small Claims Court Limit: \$2,500, attorney representation and appeals are permitted

If you were in an accident caused by another person in the state of Kentucky, you have a right to file a diminished value claim. After a vehicle has been damaged, it immediately loses value. Repairs can restore a portion of the lost value, but even the best repairs won't bring it back to full value. The remaining loss in value, however, is not totally lost. Known as residual diminished value, it is recoverable when you take the right steps.

KENTUCKY DIMINISHED VALUE LAW

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

Muncie v. Wiesemann, 2018 K.Y. LEXIS 257, Supreme Court of Kentucky

The court held that stigma damages are recoverable in addition to repair costs, but the total of the stigma damages and repair costs cannot exceed the diminution in the fair market value of the property. The court's decision establishes that if the repair costs are insufficient to make the plaintiff whole, a recovery for stigma damages up to the amount of the diminution in the market value of the home is appropriate.

Stigma damages compensate for loss to the property's market value resulting from the long-term negative perception of the property in excess of any recovery obtained for the temporary injury itself. Were this residual loss due to stigma not compensated, the plaintiff's property would be permanently deprived of significant value without compensation. We concur with that definition of stigma damages.

HOW TO FILE A DIMINISHED VALUE CLAIM IN KENTUCKY?

Step 1. Gather proof of your car's diminished value. Crucial in filing any insurance claim is having the correct paperwork and supporting documentation prepared professionally.

Step 2. Submit a diminished value appraisal and demand letter for review. Typically, diminished value claims are brought against the at-fault driver's insurance company.

Step 3. Settle your claim.

Insurance companies will often want to negotiate so it is in your best interest to enlist the services of a professional diminished value appraiser for help with your claim. Negotiate until they get firm with their offer.