



## DIMINISHED VALUE CLAIMS: **ARKANSAS**

### **SUMMARY** Arkansas Claims

**Statute of Limitations:** 3 years

**Third Party Diminished Value Claim:** Yes

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

**Arkansas 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 the coverage. \$25,000 in uninsured motorist property damage per accident. It includes coverage for hit and run drivers with physical contact between the vehicles.

**Underinsured Motorist Coverage for Diminished Value:** Yes, this coverage pays when you're struck by another party who does not have sufficient liability coverage to pay for all of your damages.

**Arkansas Small Claims Court Limit:** \$5,000, Attorney representation is not allowed, appeals are permitted.

Were you in an auto accident in Arkansas that wasn't your fault? If so, you're eligible 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 diminished value, it is recoverable when you take the right steps.

#### **ARKANSAS DIMINISHED VALUE LAW**

Arkansas is a diminished value state with reported case law supporting your legal right to diminished value compensation.

MFA Ins. Co. v. Citizens Nat. Bank of Hope 545 S.W.2d 70 (1977)

If repairs do not substantially restore vehicle to its former condition and value, the proper measure of damages is the difference in value before the accident and after the accident and repairs.

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

**Step 1.** Proof of loss. It's your responsibility to prove the repaired vehicle is worth less than before the accident. An unbiased appraisal will provide the documentation necessary to determine the diminished value of a vehicle.

**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.