



DIMINISHED VALUE CLAIMS: **VIRGINIA**

SUMMARY Virginia Claims

Statute of Limitations: 5 years from the date of loss

Third Party Diminished Value Claim: Yes

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

Virginia Property Damage
Minimum Limits: \$20,000 in coverage

Uninsured Motorist Coverage for Diminished Value: Yes, \$20,000 in required UMPD coverage with a \$200 deductible. It includes coverage for hit and run drivers.

Underinsured Motorist Coverage for Diminished Value: Yes

Virginia Small Claims Court Limit: \$5,000, attorney representation is not allowed. Appeals are permitted.

In Virginia, you can file a claim for diminished value as a third-party claim, meaning these claims must be filed with the at-fault driver's insurance company. You can also file a diminished value claim with your own insurance company if you were struck by an uninsured motorist. An accident/damage history can reduce the value of your vehicle because the average buyer will almost always prefer a vehicle without an accident as opposed to one with a damage history. Fortunately, you can recover diminished value in Virginia when you take the right steps.

VIRGINIA DIMINISHED VALUE LAW

Virginia code 46.2-1600 defines diminished value compensation: the amount of compensation that an insurance company pays to a third-party vehicle owner, in addition to the cost of repairs, for the reduced value of a vehicle due to damage.

Virginia also has well established case law supporting diminished value for third-party vehicle owners who were not at-fault in the accident.

Averett v. Shircliff, 218 Va. 202,206-207,237 S.E.2d 92 (1977) states the following: "Where the automobile is damaged but not completely destroyed the measure of damages is basically the difference between market value at the time of the injury and market value after the injury, which, where the injury is susceptible of repairs, is ordinarily measured by the cost of reasonable repairs necessary to restore the automobile to its original condition together with the diminution in value of the injured property after repairs are made."

HOW TO FILE A DIMINISHED VALUE CLAIM IN VIRGINIA

Step 1. Obtain proof of your car's diminished value. 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 your documentation (diminished value appraisal) and demand letter for review.

The ideal time is right after you get your vehicle repaired. The sooner you file your diminished value claim, the better. Typically, if the accident wasn't your fault, you would file a diminished value claim with the at-fault driver's insurance company.

It's covered under their property damage liability. If the other driver was uninsured or underinsured, your policy may include coverage for diminished value as well.

Step 3. Settle your claim.

The role of the claims adjuster is to negotiate the lowest possible settlement for the insurance company. They will either accept your claim, offer a lower settlement, or deny the claim.