



DIMINISHED VALUE CLAIMS: CALIFORNIA

SUMMARY California 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

California Property Damage Minimum Limits: \$5,000 in coverage

Uninsured Motorist Coverage for Diminished Value:

Yes, it is an optional coverage proving up to \$3,500 in uninsured motorist property damage per accident. This coverage only pays out in cases where the uninsured driver is identified, no coverage for hit and runs.

Underinsured Motorist Coverage for Diminished Value: No

California Small Claims Court Limit: \$10,000, attorney representation not allowed. Appeals are permitted within 30 days.

In California, you can file a claim for diminished value as a third-party claim with the at-fault driver's insurance company. 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 California when you take the right steps.

CALIFORNIA DIMINISHED VALUE LAW

California jury instructions:

3903J. Damage to Personal Property (Economic Damage)
The harm to plaintiff's item of personal property, e.g., automobile.

To recover damages for harm to personal property, plaintiff must prove the reduction in the automobile's value or the reasonable cost of repairing it, whichever is less. If there is evidence of both, plaintiff is entitled to the lesser of the two amounts.

However, if you find that the automobile can be repaired, but after repairs it will be worth less than it was before the harm, the damages are (1) the difference between its value immediately before the harm and its lesser value immediately after the repairs have been made; plus (2) the reasonable cost of making the repairs. The total amount awarded may not exceed the automobile's value immediately before the harm occurred.

To determine the reduction in value if repairs cannot be made, you must determine the fair market value of the [e.g., automobile] immediately before the harm occurred and then subtract the fair market value immediately after the harm occurred.

"Fair market value" is the highest price that a willing buyer would have paid to a willing seller, assuming:

1. That there is no pressure on either one to buy or sell; and
2. That both buyer and seller have reasonable knowledge of all relevant facts about the condition and quality of the [e.g., automobile].

HOW TO FILE A DIMINISHED VALUE CLAIM IN CALIFORNIA

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 your proof to the insurance company. You'll need to submit a diminished value appraisal and demand letter to the at-fault insurance company for review.

Step 3. Claim settlement. Once you submit a diminished value appraisal report, most insurance companies will make a settlement offer. The insurance company may pay the claim in full, make a lower offer, or deny the claim.

Negotiate until they get firm with their offer. If you're having trouble with the insurance company, you may need to consider legal action against the responsible party.

