



DIMINISHED VALUE CLAIMS: **ARIZONA**

SUMMARY Arizona Claims

Statute of Limitations:

2 years from the date of loss

Third Party Diminished Value Claim: Yes

First Party Diminished Value Claim: No, if you caused the accident, you aren't eligible

AZ Property Damage Minimum Limits: \$15,000 in coverage

Uninsured Motorist Coverage for Diminished Value: No, this coverage is not offered in Arizona

Underinsured Motorist Coverage for Diminished Value: No

Were you in an auto accident in Arizona 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.

ARIZONA DIMINISHED VALUE LAW

Farmers Ins. Co. of Arizona v. R.B.L. Inv. Co., 138 Ariz. 562, 564, 675 P.2d 1381, 1383 (Ariz. Ct. App. 1983)

Courts agree with jurisdictions that have generally held that the measure of compensation to the owner of a negligently damaged motor vehicle may include the cost of repair and proven residual diminution in fair market value.

Oliver v. Henry, 613 Ariz. Adv. Rep. 31 (App. Div. I, July 28, 2011) (J.Winthrop)

Court of Appeals of Arizona, Division 1, Department E. Paul OLIVER, Plaintiff/Appellee, v. James HENRY, Defendant/Appellant. No. 1 CA-CV 10-0701. Decided: July 28, 2011
The Arizona Court of Appeals affirmed, noting that the "measure of damages for injury to personal property when it is not destroyed is the difference in the value of the property immediately before and immediately after the injury." When the property is repaired, the measure of damages includes not only the cost of repair but "allowance for any difference between the value of the property before the damages and the value after the repairs as well as the loss of use."

Public policy does not support the idea that a victim should be required to sell his vehicle in order to establish a claim for diminished value and to prove the amount of the loss.

Further, even a vehicle's actual sales price may not represent the vehicle's fair market value, and expert appraisal would likely still need to be utilized to establish a vehicle's pre-loss value.

We conclude that Arizona law does not require the sale or transfer of a damaged vehicle to establish a claim for diminution in value or to prove the amount of the loss in value. In this case, Oliver's loss occurred the moment the vehicle was damaged, and even though it was repaired to industry standards, it could still have diminished value.

Oliver was not required to sell, exchange, or otherwise dispose of his damaged and subsequently repaired Jeep Wrangler in order to demonstrate an actual and provable loss in value; instead, the loss could be established through other competent means, such as expert appraisal of the pre-loss and post-repair values.

DIMINISHED VALUE: EXPLAINED

Any time a vehicle is in an accident, it loses a significant portion of its value. Repairs can certainly restore some of those losses, but not all of them. For example, let's assume that your vehicle was valued at \$40,000 before you were the victim of an accident.

Following the repairs, however, your vehicle is valued at only \$32,000. Therefore, your diminished value is \$8,000.

As you can imagine, this leaves you with more problems to worry about than just the cost of repairs. Most buyers are reluctant to purchase a vehicle that's been in an accident, regardless of subsequent repairs.

Speaking of repairs, no matter how nice your repaired vehicle looks, buyers who do a car history lookup will be less likely to buy from you. Not only can this result in low-ball offers from private buyers, but car dealers will also be less likely to give you what your vehicle is worth.

As such, you won't get nearly the trade-in amount that it's worth, even if you've had quality repairs. You can't afford to take a loss on your vehicle, especially if the accident was no fault of your own.

Wouldn't you like to get back the diminished value of your vehicle? As long as you weren't the at-fault driver, you can! Even if you've already had repairs completed on your vehicle, filing a diminished value claim in Arizona can help you recoup your losses.

CONTINUED

DIMINISHED VALUE CLAIMS: ARIZONA

HOW TO FILE A DIMINISHED VALUE CLAIM IN ARIZONA

The best way for you to prove your diminished value claim is to provide an accurate rendering of your vehicle's value that is backed up with factual market data. A concise diminished value appraisal report consisting of essential details will help maximize your claim and get you the highest return.

Sometimes, the third party's insurance company will make a low offer to control claim payouts.

ARIZONA DIMINISHED VALUE CLAIMS AND GETTING FULL COMPENSATION

Not all states are diminished value states. Fortunately, Arizona is, meaning you have the legal right to recover the diminished value of your vehicle. The only exceptions are you must not have been the at-fault driver, and you haven't signed a release of all claims.