



DIMINISHED VALUE CLAIMS: MICHIGAN

SUMMARY Michigan Claims

Statute of Limitations: 3 years

Third Party Diminished Value Claim: Possibly up to \$3,000 if you were to win a mini tort case

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

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

**Uninsured Motorist Coverage for
Diminished Value:** No coverage

**Underinsured Motorist Coverage for
Diminished Value:** No coverage

Michigan Small Claims Court Limit: \$3,000 mini tort

If your vehicle was damaged in an accident in the state of Michigan and underwent repairs, its resale value is likely to be less than what it was before the crash. This holds true even if your vehicle was perfectly repaired and looks as good as new. Michigan's no-fault laws will cap your diminished value recovery at \$3,000 if you were to prevail in a mini tort case.

MICHIGAN DIMINISHED VALUE LAW

500.3135 Tort liability for noneconomic loss; exceptions; cause of action for damages;

The Michigan mini tort law's maximum recovery limit is up to \$3,000.00 for damages that are not covered by insurance. If you use the mini tort to recover damages, you must prove that the other driver was at-fault. (MCL 500.3135(3)(e))

The action must be commenced, whenever legally possible, in the small claims division of the district court or the municipal court. If the defendant or plaintiff removes the action to a higher court and does not prevail, the judge may assess costs.

Because of the no-fault laws in Michigan, it is not one of the better states for third party diminished value claims. There's a possibility that you may be able to recover some diminished value using the mini tort law.

HOW TO FILE A DIMINISHED VALUE CLAIM IN MICHIGAN

Because of Michigan's no-fault laws, you'll need to follow the mini tort legal process, rather than submitting a diminished value claim through the at-fault driver's insurance company. Proving your diminished value loss is critical to your success. The best way to prove your loss is by getting an independent unbiased report from an expert in diminished value.