



## DIMINISHED VALUE CLAIMS: **HAWAII**

### **SUMMARY** Hawaii Claims

**Statute of Limitations:** 2 years

**Third Party Diminished Value Claim:** Yes

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

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

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

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

**Hawaii Small Claims Court Limit:** \$5,000, attorney representation is allowed. There is no right to appeal a small claims court decision.

If you were in an accident caused by another person in the state of Hawaii, you have a right 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.

#### **HAWAII DIMINISHED VALUE LAW**

Richards v. Kailua Auto Machine Service, 10 Haw. App. 613, 622 (Haw. Ct. App. 1994)

The general rule in measuring damages is `to give a sum of money to the person wronged which as nearly as possible, will restore him [or her] to the position he [or she] would be in if the wrong had not been committed.

Courts have applied various measures of damages to personal property. D. DOBBS, supra, § 5.10 at 379; C. McCORMICK, supra, § 124 at 471-72; Measure and Elements of Damage, supra, § 2. But "[a]ll [of] the [different] measures [for damages to personal property] are merely `guides to common sense,' and the question in each case is ultimately a question of fully compensating the [injured party]. Thus, the various measures should be adjusted as required to meet the goal of compensation." D. DOBBS, supra, § 5.10 at 379 (footnote omitted).

Some courts have found that damages for tortious property damage to an automobile include costs of [corrective] repair and the difference in value of the automobile before the accident and after the repairs are completed, so long as the sum does not exceed the decline in market value [immediately after injury], and does not exceed the pre-accident [or pre-injury] market value of the vehicle.

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

**Step 1.** Gather proof of your car's diminished value. Crucial in filing any insurance claim is having the correct paperwork and supporting documentation prepared professionally.

**Step 2.** Submit a diminished value appraisal and demand letter for review.

Typically, diminished value claims are brought against the at-fault driver's insurance company.

**Step 3.** Settle your claim.