



DIMINISHED VALUE CLAIMS: **TENNESSEE**

SUMMARY Tennessee Claims

Statute of Limitations: 3 years

Third Party Diminished Value Claim: No

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

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

Uninsured Motorist Coverage for Diminished Value: Yes, it is an optional coverage. It may cover hit and run accidents as well depending on your policy language.

Underinsured Motorist Coverage for Diminished Value: Yes, this coverage comes in handy when the at-fault driver doesn't have enough property damage coverage.

Tennessee Small Claims Court Limit: \$25,000, attorney representation and appeals are permitted

If your vehicle was damaged in an accident in the state of Tennessee 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. This loss in market value is known as diminished value, and it is not recoverable in Tennessee due to unfavorable case law.

The insurance claim process is complicated. Crucial in filing any insurance claim is having the correct paperwork and supporting documentation prepared professionally. Claims that are submitted improperly could lead to delays or even a denial.

Diminished Value is generally not covered in an auto insurance policy in Tennessee when making a first-party claim unless there is Uninsured/Underinsured Motorist coverage. A first-party claim is when an individual files a claim under his/her own insurance policy.

When an accident is the other party's fault and a claim is made against that party's insurance policy, it is called a third-party claim. Diminished Value in Tennessee may be covered under the at-fault party's insurance policy. To determine eligibility and the amount of diminished value that may be payable, contact us for a Free Diminished Value Claim Evaluation.

TENNESSEE DIMINISHED VALUE LAW

Grimes v. Hancock, No. M2011-01940-COA-R3-CV, 3 (Tenn. Ct. App. Jun. 26, 2012) ("the measure of damages is either repair costs or the difference in market value immediately before the accident and that immediately after the accident. It is not both. Unlike the Restatement provision, decrease in value measured after the repair is not a recognized element of allowable damages in Tennessee. Id. at 42 (bold in original).")

HOW TO FILE A DIMINISHED VALUE CLAIM IN TENNESSEE

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.