



DIMINISHED VALUE CLAIMS: **ALASKA**

SUMMARY Alaska 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

**Alaska Property Damage
Minimum Limits:** \$25,000 in coverage

Uninsured Motorist Coverage for Diminished Value: Yes, it is an optional coverage. Doesn't include coverage for loss of use. It includes coverage for hit and run drivers.

Underinsured Motorist Coverage for Diminished Value: Yes, it is an optional coverage

Alaska Small Claims Court Limit: \$10,000, attorney representation and appeals are permitted

If your vehicle was damaged in an accident in the state of Alaska and underwent repairs, its resale value is likely to be less than what it was before the crash. This loss in market value is known as diminished value, and it is recoverable in Alaska through a diminished value claim filed with the at-fault party's insurance company. If the other driver was uninsured, you can also file a diminished value claim with your own insurance company.

ALASKA DIMINISHED VALUE LAW

Alaska is a state that allows drivers to file a diminished value claim if the accident wasn't their fault. The statute of limitations for diminished value claims in Alaska is two years from the date of loss. Diminished value claims are filed with the at-fault driver's insurance company.

Willett v. State, 826 P.2d 1142, 1144-45 (Alaska Ct. App. 1992) ("Yet diminution in value is not the only accepted method of valuing property damage. An alternative, equally viable, and perhaps more direct measure of damage is reasonable cost of repair. See, e.g., *People v. Dunoyair*, 660 P.2d at 894-95. Both cost of repair and diminution in value have traditionally been regarded as acceptable methods of proving the amount of damage to property. For example, in dealing with harm to chattels, the Restatement of Torts allows either measure to be used, at the election of the person whose property has been damaged:

When one is entitled to a judgment for harm to chattels not amounting to a total destruction in value, the damages include compensation for

(a) the difference between the value of the chattel before the harm and the value after the harm or, at his election in an appropriate case, the reasonable cost of repair or restoration, with due allowance for any difference between the original value and the value after repairs, and

(b) the loss of use.

Restatement (Second) of Torts § 928 (1976):")

Where, for example, repairs have not restored damaged property to its original value, recovery has been allowed for both cost of repairs and the difference in market value before the damage and after the repair.

HOW TO FILE A DIMINISHED VALUE CLAIM IN ALASKA

Step 1. Proof of loss. It's your responsibility to prove the repaired vehicle is worth less than before the accident. An independent, unbiased appraisal will provide the documentation necessary to determine the diminished value of a vehicle.

Step 2. File a diminished value claim. By filing a diminished value claim through the at-fault party's insurance company, you can get back your car's lost value following an accident. The sooner you file your diminished value claim, the better. Submit the appropriate documents for review (diminished value appraisal and demand letter).

Step 3. Negotiate a settlement. Because diminished value claims are complex, the more documentation you have, the more you might experience success when making a claim.