



DIMINISHED VALUE CLAIMS: NEW JERSEY

SUMMARY New Jersey Claims

Statute of Limitations: 6 years

Third Party Diminished Value Claim: Yes

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

New Jersey Property Damage Minimum Limits: \$5,000 in coverage

Uninsured Motorist Coverage for Diminished Value: Yes, an optional coverage that provides a minimum of \$5,000 in coverage. No coverage for hit and run drivers.

Underinsured Motorist Coverage for Diminished Value: Yes, an optional coverage. No coverage for hit and run drivers.

New Jersey Small Claims Court Limit: \$5,000. Attorney representation and appeals are permitted.

If your vehicle was damaged in an accident in the state of New Jersey 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 New Jersey 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 if you have UMPD on your policy.

NEW JERSEY DIMINISHED VALUE LAW

Under New Jersey law, "the general primary rule is that, in the absence of the total destruction of an automobile the measure of damages is the difference in its value immediately before and after the injury," Jones v. Lahn, 1 N.J. 358, 362, 63 A.2d 804 (1949) (citing Hintz v. Roberts, 98 N.J.L. 768, 121 A. 711 (E. & A.1923)).

New Jersey Courts have further clarified this rule by explaining that if the value of an automobile before it was damaged was greater than it was after repair, the owner is entitled to a sum for the depreciated value of automobile, in addition to cost of repair. Fanfarillo v. Eastend Motor Company, 172 N.J.Super. 309, 411 A.2d 1167 (Sup. Ct. NJ, Appellate Division) [emphasis added].

Stated another way, when repairs still leave the vehicle in a less valuable condition than immediately before the accident, a plaintiff is entitled to prove his full damages by proving the cost of repair and the depreciated value after repair, or by showing the value of the vehicle immediately before and after the accident. Premier XXI Claims Mgmt v. Rigstad, 381 N.J.Super. 281, 885 A.2d 521 (Sup Ct Appellate Div 2005).

In the published decision of Financial Services Vehicle Trust v. Panter, 2019 N.J. Super. LEXIS 28 (App. Div. Feb. 28, 2019), the Appellate Division decided that a motor vehicle owner may recover for diminution of value of the owner's motor vehicle that was involved in the accident, as long as the proper proofs are presented.

HOW TO FILE A DIMINISHED VALUE CLAIM IN NEW JERSEY

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. An independent, unbiased appraisal will provide the documentation necessary to determine the diminished value of a vehicle.

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.

