



DIMINISHED VALUE CLAIMS: **ALABAMA**

SUMMARY Alabama 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

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

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

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

Alabama Small Claims Court Limit:
\$6,000, attorney representation and appeals are permitted

If you were in an accident in Alabama that reduced the value of your vehicle, and the accident was not your fault, you don't have to accept the loss. You have a right to compensation by filing a diminished value claim through the at-fault party's insurance company. Alabama is a diminished value claim state, which means you have the right to seek compensation for lost value on your vehicle. As long as the accident was caused by another party and you have not signed a release of all claims, you have a right to compensation.

ALABAMA DIMINISHED VALUE LAW

In Alabama, diminished value has been recognized as a measure of damages when an action is brought by a third party.

King Motor Co. v. Wilson, 612 So. 2d 1153 (Ala.1992) is a supreme court case where experts agreed that the previously damaged automobile was worth less than an automobile that had never sustained damage.

Coffee County Comm'n v. Smith, 480 So.2d 1194 (Ala.1985) the court found that the proper measure of damages was the difference in the value of the property before and after the damage.

Those third-party court cases are governed by the tort principle that compensation should make the injured party whole. Moebes, 709 So.2d 477,478 (Ala.1997) compensatory damages are designed to make the plaintiff whole by reimbursing him or her for the loss or harm suffered.

HOW TO FILE A DIMINISHED VALUE CLAIM IN ALABAMA

To file a diminished value claim in Alabama, you first need to know the actual reduced value of the vehicle.

Once you have a number for the diminished value claim, you will need to contact the insurance company of the at-fault driver and inform the company that you will be making a

claim. You may have to cooperate with the company and provide information, then you will wait for the insurance company to complete their review process.

Once they have completed their investigation, you should receive a check for the diminished value on your vehicle.

ALABAMA DIMINISHED VALUE CLAIMS AND GETTING FULL COMPENSATION

If you live in Alabama, you have a legal right to diminished value compensation if the accident wasn't your fault. "Diminished value" simply means the difference between the vehicle's previous (pre-accident) value and its current (post-accident) value. For example, if your truck was valued at \$30,000, but after an accident it is only valued at \$23,000, the "diminished value" is \$7,000. This creates obvious problems when you try to sell the vehicle; through no fault of your own, you have lost \$7,000!

But you have a right to recover this loss through a process called a "diminished value claim."

Diminished value claims in Alabama are not paid by your insurance company, but the insurance company of the at-fault driver. However, the insurance companies do not make it easy to file a claim and receive full compensation.