



DIMINISHED VALUE CLAIMS: MINNESOTA

SUMMARY Minnesota 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

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

Uninsured Motorist Coverage for Diminished Value: No coverage

Underinsured Motorist Coverage for Diminished Value: No coverage

Minnesota Small Claims Court Limit: \$15,000, attorney representation and appeals are permitted

If you were involved in an accident in the state of Minnesota and weren't at-fault, you could be eligible for a diminished value claim settlement. 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, known as diminished value, is recoverable when you take the right steps.

MINNESOTA DIMINISHED VALUE LAW

Minnesota follows the approach of the Restatement of Torts in measuring damages resulting from harm to personal property. *O'Connor v. Schwartz*, 304 Minn. 155, 158, 229 N.W.2d 511, 513 (1975); see also *Hart v. N. Side Firestone Dealer, Inc.*, 235 Minn. 96, 98, 49 N.W.2d 587, 588 (1951) (noting Minnesota's early commitment to the same rule).

The Restatement of Torts provides: Where a person is entitled to a judgment for harm to chattels not amounting to a total destruction in value, the damages include compensation for [] the difference between the value of the chattel before the harm and the value after the harm or, at the plaintiff's election, the reasonable cost of repair or restoration where feasible, with due allowance for any difference between the original value and the value after repairs[.]

Restatement of Torts § 928 (1939) (emphasis added); see also Restatement (Second) of Torts § 928 (1965) (reflecting only minor wording changes). If the repairs have not fully restored the property, "the owner is entitled to the remaining diminution in value so long as the total damages awarded do not exceed" the lesser of the two measures. *Rinkel v. Lee's Plumbing & Heating Co.*, 257 Minn. 14, 20, 99

HOW TO FILE A DIMINISHED VALUE CLAIM IN MINNESOTA

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.

