



## DIMINISHED VALUE CLAIMS: **NEW MEXICO**

### **SUMMARY** New Mexico Claims

**Statute of Limitations:** 4 years

**Third Party Diminished Value Claim:** Yes

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

**New Mexico Property Damage Minimum Limits:** \$10,000 in coverage

**Uninsured Motorist Coverage for Diminished Value:** Yes, insurers are required to offer UMPD with a minimum of \$10,000 in coverage. It includes coverage for hit and run drivers.

**Underinsured Motorist Coverage for Diminished Value:** Yes, a minimum of \$10,000 in coverage. It includes coverage for hit and run.

**New Mexico Small Claims Court Limit:** \$10,000. Attorney representation and appeals are permitted.

If your vehicle was damaged in an accident in the state of New Mexico 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 Mexico 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.

#### **NEW MEXICO DIMINISHED VALUE LAW**

The Reported Case Law precedent in New Mexico is Hubbard v. Albuquerque Truck Ctr. Ltd. (125 N.M. 153) circa 1998.

Hubbard is entitled to the smaller of the two figures which are calculated as follows: One figure is the reasonable expense of necessary repairs to the property damage[d] plus the decrease, if any, in the fair market value of the repaired property as compared to its fair market value before the occurrence; (Repair figure chosen by Court) and, The other figure is the difference between the fair market value of the property immediately before the occurrence and the fair market value of the unrepaired property immediately after the occurrence. (UJI 13-1815)

New Mexico Uniform Jury Instructions

UJI 13- 1815 allows award of the lesser of (1) repair costs plus depreciation after repairs, and (2) the decrease in market value before and after the damage, assuming no repairs.

#### **HOW TO FILE A DIMINISHED VALUE CLAIM IN NEW MEXICO**

**Step 1.** Obtain proof of your car's diminished value.

The best way to prove your claim is to hire licensed, highly qualified, competent, and independent diminished value experts. The better the appraisal, the better the chance of the insurance company accepting the appraisal and paying the claim faster and for more money.

**Step 2.** Submit your documentation (diminished value appraisal) and demand letter for review.

The ideal time is right after you get your vehicle repaired. The sooner you file your diminished value claim, the better. Typically, if the accident wasn't your fault, you would file a diminished value claim with the at-fault driver's insurance company.

It's covered under their property damage liability.

**Step 3.** Settle your claim.

The role of the claims adjuster is to negotiate the lowest possible settlement for the insurance company. They will either accept your claim, offer a lower settlement, or deny the claim.