Diminished Value and Other Car Crash Insurance Issues

Most people deal with an insurance adjuster long before a lawsuit is even a question. An adjuster evaluates the claim on behalf of the insurance company, and some common practices can lower what a claim is worth if they go unnoticed. Knowing what to expect is one reason people talk with a car accident lawyer before they sign anything.

What the adjuster may ask for

An adjuster for the other driver may call within days to request a recorded statement. Usually there is no duty to give one to the other driver's insurer, though a person's own policy may require cooperation with that insurer. Statements made while in pain or on medication can be used later to dispute the claim. Adjusters may also send broad medical authorizations that reach records unrelated to the crash. A car crash lawyer usually limits what is shared to records related to the crash.

Early offers and disputed injuries

An early settlement offer can arrive before the full extent of an injury is known. Accepting usually means signing a release that ends the injury claim. Some insurers argue that minor vehicle damage means no one could have been hurt, or point to gaps in treatment and preexisting conditions. Many also raise *car accident settlement* comparative negligence, assigning a share of the fault to the injured driver.

Property damage claims

A property damage claim usually moves faster than an injury claim. If the car can be repaired, the insurer writes an estimate, and the repair shop may find hidden damage once work begins. Rules on aftermarket parts depend on the policy and state law. If repairs would cost more than a threshold set by state law or the insurer, the car is declared a total loss. The insurer then owes the actual cash value, meaning the market value just before the crash. Listings for comparable vehicles can support a higher valuation, and gap insurance, if purchased, may cover a remaining loan balance.

Getting around during repairs

While the car is being repaired, the at-fault driver's insurer may owe the reasonable cost of a rental or payment for loss of use. How long that period should last is a common dispute, especially when parts are back-ordered or the inspection is delayed. Rental coverage under a person's own policy usually has a daily cap and a limit on the number of days. Keeping receipts and notes of each call with the adjuster helps support the claim.

Loss in resale value

Even after a good repair, a car with a crash history often sells for less. That difference is called diminished value. Whether it can be recovered depends on the state and on the kind of claim. Claims against the at-fault driver's insurer are more commonly allowed than first-party claims under one's own policy, which may exclude diminished value. An independent appraisal and the vehicle history report help document the loss. A motor vehicle accident attorney will know the rule in the state where the crash happened.

When a claim stalls

Each state has an insurance department that takes consumer complaints, and some states have bad faith laws for unreasonable claim handling. This is general information rather than legal advice, and no article can promise a particular result.