Diminished Value and Other Car Accident Insurance Issues

After a car crash, most people deal with an insurance adjuster long before they think about a lawsuit. 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 these practices is one reason people speak with an auto accident lawyer before they sign anything.

Early calls from the adjuster

An adjuster for the other driver may call within days to request a recorded statement. There is usually no obligation to give one to the other side'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. An auto accident attorney will often limit what is shared to records connected 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. Insurers may argue that light vehicle damage means no one could have been hurt, or they may point to preexisting conditions and gaps in treatment. They may also argue comparative negligence, assigning part of the fault to the injured driver.

Property damage claims

The property damage part of a claim usually resolves sooner than the injury part. When a car is repairable, the insurer prepares an estimate, and the repair shop may find hidden damage once work begins. Rules on aftermarket parts depend on the policy and state law. When repairs would exceed 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.

Rental cars and loss of use

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. The length of that period is often disputed, 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. Receipts and a log of calls with the adjuster help support the claim.

What diminished value means

Even after a good repair, a car with a crash history often sells for less. That difference is More help called diminished value. Whether it can be recovered depends on the state and the type of claim. Third-party claims against the at-fault driver's insurer are more often 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. **car accident lawyer** A motor vehicle accident attorney can explain whether the state where the crash happened allows the claim.

Complaints and general information

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 any result.