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 reduce the value of a claim if they go unnoticed. Knowing what to expect is one reason people talk with a car accident lawyer before signing anything.

Early calls from the adjuster

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 sometimes send broad medical authorizations that open records unrelated to the crash. An auto accident attorney usually limits what is shared to records related to the crash.

Quick offers and low-impact arguments

An early settlement offer can arrive before the full extent of an injury is known. car accident claim Accepting it 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. They may also argue comparative negligence, assigning part of the fault to the injured driver.

When the car is repaired or totaled

The property damage part of a claim usually resolves sooner than the injury part. If the car can be repaired, the insurer writes an estimate, and the shop may find more damage once the car is taken apart. 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

The at-fault driver's insurer may owe the reasonable cost of a rental car, or payment for loss of use, while repairs are underway. 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. Receipts and a log of calls with the adjuster help support the claim.

Loss in resale value

A repaired car with a crash history often sells for less than one without. That loss is known as diminished value. Whether it can be recovered depends on the state and the type of claim. Claims against the at-fault driver's insurer are more commonly allowed than claims under a person's own policy, which may exclude it. A written appraisal and the vehicle history report can 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 article is general information, not legal advice, and no article can promise a particular result.