



Maryland
INSURANCE ADMINISTRATION

CONSUMER ADVISORY

AUTOMOBILE DIMINISHED VALUE CLAIMS

After a car accident, the post-repair value of your vehicle may be less than its value immediately before the accident, even if the repairs to your car have been performed to industry standards, because the vehicle now has an accident history. This is commonly called “diminution in value” or “diminished value” (D-V). You may be able to file an insurance claim for the D-V so long as the cost of repairs required as a result of the accident and the D-V added together do not exceed the value of the car immediately before the accident.

Generally, you cannot file a D-V claim if you have been found to be at fault or have contributed to the cause of the accident. But, if you were not at fault for the accident, you may file a D-V claim with the at-fault party’s insurer. If your vehicle has been damaged by an uninsured motorist or the at-fault party is unknown, your D-V claim may, or may not, be covered under your own uninsured motorist property damage coverage. Some automobile insurance policies specifically exclude coverage for D-V in this situation. You will need to check your auto insurance policy or speak with your insurer to determine if your policy excludes D-V in uninsured motorist claims.



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The first step in filing a D-V claim is determining if your car has lost value, and if so, how much. Whether or not a car has lost value depends upon several factors, including, for example, the make, model, year, mileage, pre-loss condition and prior accident history. The nature of the damage (structural, mechanical or cosmetic) and the severity of the impact may also affect the car's value. These factors, in turn, can affect the amount of your D-V claim.

It is important to remember that the insurer of the at-fault driver is not obligated to notify you that you might have a D-V claim; it's up to you to file the claim and prove the amount. If you file a claim, you will need to notify the insurer and submit proof of the loss of value. Under Maryland law, there is no required method for determining the D-V claim amount. If the insurer counters with an offer amount you feel is unfair, and you and the insurer cannot reach an agreement, you may want to consult an attorney to see what options you have.

For additional information regarding automobile insurance or any other type of insurance, please visit the MIA's website at www.insurance.maryland.gov or call at 1-800-492-6116.

