

Insurance Times: Maine Supreme Court: Insurers not required to cover loss in value of auto
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PORTLAND — Insurance companies must pay to fix cars damaged in an accident but they don't have to compensate for the reduced resale value of an accident-damaged car, the state supreme court recently ruled.

The court ruled in a case brought against Acadia Insurance Co. by David and Kimberly Hall in Cumberland County Superior Court.

Acadia paid more than \$12,000 to repair the couple's 1997 Mitsubishi Diamante, but an arbitrator ruled that Acadia should pay another \$4,900 because the accident lowered the car's potential resale value.

The couple sued when the company balked at the payment and appealed to the state supreme court when the lawsuit was dismissed.

The Maine Supreme Judicial Court ruled unanimously that the insurance policy required Acadia to cover physical repairs to the car. The future value of the car was not something that could be repaired, Justice Jon Levy wrote.

“We conclude that the policy's use of the term 'repair' is unambiguous and that Acadia's liability for a loss under the policy extends only to the loss that can be repaired as that term is commonly understood,” he wrote.

Maine joins 10 or 11 other states where courts have addressed the issue in the same manner, said Acadia's lawyer, James Bowie. Georgia is the only state that compensates for diminished resale value, he said. p