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GUIDE TO CALCULATING DAMAGES IN A CAR ACCIDENT

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SUMMARY



CHAPTER 1 —————

INTRODUCTION

Car accident damages are any costs incurred as a result of the accident, from vehicle repair bills to medical expenses to lost wages and pain and suffering.

The reality is that these costs can add up to hundreds of thousands of dollars or more over the years. To get the compensation you deserve, you'll want to invest the time in making accurate calculations of all the damages you incurred or will incur due to accident injuries.

Some cost calculations are more simple to figure out, like car damage. Other calculations, like pain and suffering, can be harder to calculate because they consider things like your quality of life post-accident, which doesn't have a direct dollar amount attached to it.

That's why we've put together this guide to help you calculate the damages of your car accident. We go through each of the types of damages you may be entitled to based on your car accident case, including how they can be calculated. We also give you some tips for keeping track of damages so that you can get the maximum and most fair compensation.

TYPES OF DAMAGES

2.1 CAR DAMAGES

After an auto accident, car insurance companies are legally responsible for compensating victims with a car similar in value to its pre-accident state. The car insurance company may pay for repairs to restore your car to its original state or, if it is totaled, pay out the value to replace it.

What does it mean if your car is totaled?

If your vehicle is considered totaled, it means that the cost to repair the vehicle is greater than the value of the vehicle.

In Washington State, auto insurance companies must use the “total loss formula” to see if a car is considered totaled. This formula adds the cost of repairs to the probable value of the vehicle as scrap (sold for parts in a scrapyard). If the value is greater than or equal to the pre-accident vehicle value, it’s considered totaled.

COST OF REPAIRS + PROBABLE VALUE AS A SCRAP ≥ ORIGINAL VEHICLE VALUE

Let’s say, as an example, your vehicle was worth \$10,000 pre-accident, and post-accident its probable value as scrap is \$150. But your car has severe damage, and the costs for replacement parts, repaint and labor are \$11,000.

<p>COST OF REPAIRS - \$11,000 PROBABLE VALUE AS A SCRAP - \$150 PRE-ACCIDENT VEHICLE VALUE - \$10,000</p> <p>\$11,000 + \$150 ≥ \$10,000 \$11,150 ≥ \$10,000</p>

In this example, the value as a salvage plus repairs is greater than the vehicle’s original value. This means the vehicle would be considered totaled.

Car insurance companies will search for a comparable motor vehicle in your area to determine the value of your car and, subsequently, how much they will pay out. Doing your own research with the Kelley Blue Book can help you confirm you get a fair payout.

TYPES OF DAMAGES

Diminished value claim

Often a car accident diminishes the resale value of your car, even if restored to its original condition. In Washington State, you may be able to sue for additional damages from a diminished value claim.

If you have clear proof that your car decreased in value due to the accident, you may be entitled to additional compensation for car damages. In this case, your insurance policy will need coverage for under or uninsured motorists and the accident must be another driver's fault.

The damages for a diminished value claim will depend on the following:

- Your vehicle's pre-accident mileage
- The severity of damage to your vehicle
- Your vehicle's pre-accident value
- If your car has been repaired

Check out this article on [how to calculate the diminished value of your car](#).

2.2 MEDICAL EXPENSES

Medical care costs are one of the most common types of damage after a car accident. From whiplash to concussions to severe debilitating injuries, medical expenses can add up quickly and should be included in your calculation for damages.

Here are some of the different medical expenses you may face as part of a car accident:

- Emergency medical services or ambulance care
- Emergency or urgent care
- X-rays or medical imaging
- Overnight hospital stays
- Surgical care
- Physical therapy
- Chiropractic care
- Rehabilitative care
- Neurological therapy
- Medicines

TYPES OF DAMAGES

- Medical equipment or devices, such as crutches or a wheelchair

This list is not comprehensive, but any medical care you seek after a car accident that directly results from the accident entitles you to compensation.

Tips to keep your medical expenses eligible for a damages payout

- Seek medical care immediately after a car accident: If too much time passes, an insurance company may try to claim the injuries are unrelated to the accident to avoid paying out.
- Follow the doctor's orders: If your doctor gives you limitations or instructions, such as work restrictions or not lifting more than a certain weight, follow them carefully. It's for your best recovery and helps defend your case.
- Keep records of your appointments: Note when you had the appointment and the outcome, and keep copies of discharge paperwork, prescriptions, and referrals to specialists.

2.3 LOST WAGES

As a result of a car accident, you may lose wages due to lost work days or lost capacity to work. If you have an injury that prevents you from working or you miss days of work for follow-up medical appointments, you could be entitled to compensation.

These calculations are straightforward for regular hourly or salaried positions, as you can determine your daily rate and multiply it by the number of days missed due to the accident.

However, lost wages calculations are more complicated for independent contractors, self-employed individuals, and commission and tipped employees. Since wages are not as predictable, calculating loss from missed work due to an accident can be complex. An experienced personal injury attorney can be beneficial for these types of workers.

2.4 DIMINISHED EARNING CAPACITY

As a result of injury from an accident, you may suffer from diminished earning capacity. If your physical or mental injury prevents you from healing on schedule and getting back to work, you may suffer for years or even the rest of your life if you can't work the same as before.

Consequently, you may not be able to live the same lifestyle or provide for your family in the same capacity as pre-accident. In this case, you may be able to seek damages related to diminished earning capacity.

These calculations are more nuanced than your lost wages, as they consider your working circumstances before your accident and your possible future. These calculations will take into consideration your:

TYPES OF DAMAGES

- Yearly or hourly pay
- Potential overtime pay
- Annual cost of living raises
- Commissions and bonuses
- Vacation days
- Sick days
- Pensions
- Retirement contributions and employer matching
- Possible merit increases and promotions

2.5 OUT-OF-POCKET EXPENSES

There are a lot of out-of-pocket expenses that may add up from your injury. These types of expenses can also be a part of your damages claim:

- Prescriptions and over-the-counter medicines
- Any medical expenses not covered by insurance
- Medical equipment
- Cost of parking at medical facilities

These expenses can range from a few dollars to thousands of dollars over time, depending on your injury and how long it takes you to heal. Include these expenses in your damages claim to get the compensation you deserve.

2.6 MILEAGE

Mileage expenses are paid for the miles you put on your personal vehicle from going to medical appointments related to your accident. The IRS standard for compensation is 18 cents per mile driven for medical purposes.

Log your mileage to and from all medical appointments to add mileage damages to your claims. Medical appointments directly related to your accident may include:

- Primary care follow-up
- Emergency or urgent care
- Physical therapy
- Chiropractic care
- Inpatient or outpatient treatment centers

TYPES OF DAMAGES

If you forget to log the mileage from each trip, you can use an application like Google Maps to retroactively calculate the distance traveled. Once you add all of the mileage up, multiply that number by 18 cents to get the total mileage damages you can claim.

If you traveled 250 miles to and from medical appointments:

$$250 \text{ miles} \times \$0.18 = \$45.00$$

2.7 PAIN AND SUFFERING

Pain and suffering are one of the more difficult things to calculate. This is because pain and suffering have to do with the long-term effects of your injury, such as the impact on your career, overall joy, hobbies, relationships with others, etc.

At its essence, pain and suffering damages are meant to compensate you for losing quality of life due to an accident. This could be because of loss of consortium or loss of associations and social life. For example, spouses may lose companionship, or the ability to engage in sexual relations or bear children may be lost due to the accident.

Although an insurance company will make its own calculation, it is not something they willingly seek to pay out at a high amount. At the end of the day, an insurance company is looking out for their profits.

If you're suing for damages, pain and suffering damages are determined by a judge or jury; if your case is settled out of court, the amount is anticipated by what would be awarded by a judge if your case went to court.

Because pain and suffering are tricky to calculate and insurance companies seek to pay out as little as possible, getting an experienced lawyer is the best way to ensure you get fair compensation for your pain and suffering.

TIPS FOR KEEPING TRACK OF DAMAGES IN A CAR ACCIDENT

3.1 START AT THE ACCIDENT SITE

As much as possible, you want to start taking evidence as soon as the accident occurs. Evidence from the car accident site can help establish who was the “at fault” driver, which is an essential detail regarding whose insurance company is responsible for the payout. You could pursue damages if you weren’t the “at fault” driver.

At the accident site, do the following:

- Exchange driver’s license details, insurance information and contact information with other drivers involved
- Get car information of other vehicles involved, such as year, make, model, color and condition
- Take photos of the accident
- Write down exactly what happened so you don’t forget the details
- Get the contact information for any witnesses
- Go to the doctor as soon as possible, no longer than 72 hours after the accident, even for what seem like minor injuries
- Follow up to file a police report within four days, if an officer didn’t arrive at the scene and complete one for you
- Get police information, such as name or report number, if they respond to the accident.

3.2 KEEP DETAILED DOCUMENTATION

Keeping track of receipts, invoices and other financial documents will help you build your case for damages. For example, invoices for medical bills associated with accident-related care, receipts for gas to get to medical appointments and receipts for medicines to help you manage pain after your accident.

TIPS FOR KEEPING TRACK OF DAMAGES IN A CAR ACCIDENT

3.3 KEEP A JOURNAL OF EVENTS

It can be stressful when you're recovering from a personal injury from a car accident, and your mind might feel scattered. By keeping a journal of events, you can keep timelines clear and accurate so it's easier to build your damages case later. You might want to keep track of things like:

- Medical appointments related to the accident and what you and the doctor discussed
- Missed work because of the injury
- Conversations with other drivers, witnesses or insurance companies
- Appointments for insurance adjusters to look at vehicle damages
- Car repair appointments
- Miles driven to and from appointments resulting from the car accident
- How you felt on certain days, physically or emotionally, as a result of the car accident

3.4 BE ACCURATE IN YOUR CALCULATION OF DAMAGES

You must be precise with numbers and figures to correctly calculate your damages. Avoid rounding up or exaggerating numbers. For example, if you drive 23 miles to a doctor's appointment, avoid rounding up to 25.

An adjuster will check your work; anything exaggerated or false may put your case at risk or drag out the timeline to receive a settlement. Building an accurate and true case is critical in getting you the compensation you deserve.





CHAPTER 3 —————

SUMMARY

As you've seen, many factors go into calculating damages after a car accident. And while nothing can take you back to before the accident, there are ways to seek fair compensation when you've suffered damages in a car accident.

Taking time to consider and record all of the damages you've suffered and keeping accurate receipts and invoices of all expenses will help you fight your case and increase your chances of winning your case.

Of course, seeking the help of an experienced and trustworthy personal injury attorney is the best way to increase the chance of getting a fair payout for your case. Their knowledge of complex calculations, nuanced negotiation tactics and access to critical resources gives you a fighting chance to win your case.

If you need help finding a good attorney, check out our blog on [The 5 Best Questions to Ask Before Hiring a Personal Injury Lawyer](#).



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