



Dukes of Hazard

Classic cars call for model coverage

By Barbara Rocco

Imagine driving along a wide-open highway with a beautiful blue sky overhead and a warm summer breeze behind the wheel of a 1966 Pontiac GTO or perhaps a 1957 Bel Air, or even a 1937 Packard. Most of us may never

get to experience this, but there are few lucky people who will. And it is very possible some of those people are your clients.

These vintage beauties deserve special treatment. Owners love their cars, showering them with tender loving care. They want coverage that will take care of them, too. Classic car insurance is the best way to keep your client's classic or antique car safe and sound.

But what exactly is a "classic car"? In general, it is an automobile that is considered a collectible or an antique. But that by itself does not qualify an auto for classic car insurance; it is a non-standard policy and must meet these very specific requirements:

- **Types of vehicles.** The three different types of classic cars are veterans, cars built before December 1904; Edwardian, cars created between January 1905 and December 1918; and limited, rare, special interest or limited editions.
- **Age of car.** In most states, a car should be at least 20 years old before it can be considered a classic. However, some states have an increased requirement for the age of the vehicle, such as Massachusetts, which requires a classic to be a minimum of 25 years old.
- **Driver restrictions.** Not only is there an age restriction on the car, there is also one on the driver. Only people who have reached the age of majority can get this non-standard coverage. In addition, carriers are very strict when it comes to driving history and experience.
- **Storage requirements.** There are strict storage requirements for a classic car. It must be parked in a designated and highly secure garage when not in use.
- **Non-primary vehicle.** The car should not be used as the primary vehicle. Only a classic car used on a limited basis is eligible for this coverage.

Keep in mind that it is the responsibility of your client to prove that their car is a classic.

The greatest asset of a classic car policy is that the vehicle is covered on an agreed value basis. Ensure that your client and the carrier concur on the agreed value on the policy. The agreed value should be based on the market value and the condition of the car. Don't forget that these cars typically increase in value over time. A reminder to your client at renewal time to review and acknowledge the agreed value is an excellent way to avoid a future errors & omissions claim for inadequate coverage.

Another benefit to these policies is that they take into account that the value of a car under restoration will increase as the restoration progresses. Some companies will automatically increase the agreed value at specified intervals—typically quarterly—up to a maximum stated amount. There is a carrier in the classic car niche that will increase the agreed value by 10% on a quarterly basis up to a maximum of \$25,000.

Certain carriers have expertise with this product. Many of the major carriers also provide classic car coverage, but if going this route, be careful that the underwriter is familiar with such policies and be sure to get agreed value coverage.

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