



Winter 2014

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Hot Rod Insurance Service's Inc. Newsletter!

Please look for our newsletter on a quarterly basis.

We hope that you find the articles informative and interesting.

Please do not hesitate to contact us should you have any questions or need my assistance for your insurance needs.



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Our Agency is AARP certified with Hartford Insurance Company for Home, Auto and Umbrella Insurance. AARP Members receive a generous discount.

Agreed Value vs. Stated Value Policies

Purpose:

When looking for an insurance company to insure your classic vehicle; the most important thing to purchase is to purchase an agreed value policy. There are three types of policies which one can purchase. Actual Cash Value; Stated Value and Agreed Value policies.

1959 Impala Rosebud



Actual Cash Value:

This is typically used on your every day daily driving car which is genuinely seven years or newer. A classic vehicle insured under this type of coverage would be fully depreciated.

The Insurance company would settle the loss on the vehicles actual value less the depreciation from the date of the manufacture.

Stated Value Policies

Stated value coverage pays the cost of repair to the car or the stated value of the car, whichever is less, at the time that a claim is filed.

If you purchase a stated value policy; it is highly recommended that you get an insurance appraisal to document the value of the vehicle at that period of time.

In and event of a total loss the carrier will pay somewhere from 0 to the stated amount on the policy. Generally the carrier will not pay the

stated amount and will pay what they think the car is worth, based on recent sales based on condition of your car. The insurance companies idea of what your vehicle is worth is usually different than what you think your vehicle is worth. This type of policy generally leads to some form of litigation.

Agreed Value Policies

Agreed value guarantees a set amount of coverage agreed upon at the time the policy was issued and is generally accepted as the best position for the owners of classics, unique, highly modified, race cars and exotic vehicles. This is the only type of coverage that guarantees the owners will be paid in full in the event of a loss.

You may insure your car based on your total cost of receipts you have into the build of the car, which is generally quite a bit more then the actual worth of the car.

Some companies add an inflationary guard protection on top of the agreed value policy which is usually 3-5% per policy term.

This coverage is offered by a handful of insurance companies specializing in collector car insurance.

Why would you put a tracking Device on your Classic Car?

During the Car Show season of 2013 among other car thefts 6 custom Impalas were stolen.

One in particular a highly customized 1959 Impala called "Rosebud" valued at \$175,000 and built by OZ was stolen and has not been recovered.

Had the car been equipped with a tracking device such as LoJack, SuperCom, or 911Tracker, it might have been recovered.

Lojack and 911Tracker use Radio Frequencies and SuperComp uses GPS to track.

Radio Frequency trackers are not stopped by Steel or concrete buildings while GPS can be, and in many cases a tracking system can help provide an insurance discount. You would need to check with your individual company or Agent.

LoJack works directly with the police and claims a 90% recovery rate and is in 28 states.

911Tracker Vehicle Security System guards your vehicle even if you are thousands of miles away. Send a text message to the system and a GPS Location message will be sent to your cell phone, or to Google Maps to view your cars location.

SuperCom uses GPS to track and locate your vehicle which you can see on Google Maps.

Another system in use is Escort Entourage PS this device is dependent on cell service, this is can be used as a secondary system to track your vehicle. You can track your car via an iPhone and computer. Device goes in the trunk of your car and is operated by a battery that is rechargeable. The device lasts for 3-7 days depending on usage.

A new product coming out soon



is The TileAPP this is chip that is installed anywhere in the car and is tracked by your iPhone,

Motor Vehicle Crime is the number one crime in the United States and growing bigger every year.

Good Insurance and using the latest technology in Alarms while keeping the vehicle in a locked garage or storage unit when not in use, is the best deterrent to theft. Enjoy the pleasure of owning and driving a classic car with peace of mind..

Key Steps to take in case your vehicle is stolen:

Contact the police immediately to file a stolen vehicle report. The police will provide you with a case number and when processed a hard copy of the report.

Be prepared to give the authorities the following info on your vehicle:

Vehicle Identification Number (VIN)

Year, Make, Model, and Color

Identifying Marks, such as scratches, or dents, and custom add – ons, such as spoilers or wheel covers.

A list of any articles in the vehicle

A description of any suspect (s) you may have seen

Any Witness (S)

Note any New GPS Locations you have been alerted too.

Contact your insurance company to file a claim within 24 hours of the time you discovered your vehicle was stolen. Provide them with a copy of the police report or case number.

Contact the policy and your insurance company if/when the vehicle is located.

If you have a LoJack Stolen vehicle Recovery System, Call the LoJack Company to have the tracking begin on your vehicle.

Following the steps noted above in case of a loss is the best chance of recovering your cherished vehicle.

For more information on various theft deterrent systems a lot of information can be found online and you can always call our office for assistance.

Shipping your Dream Car Home

Now that you have found your dream car in another state you need to bring it home.

How do you pick a reliable transporter and what do you need to know so you can do so.

Open Trailer or Enclosed Cargo Hauler the position of your vehicle is important. For an open hauler you want to be on the bottom front. Being in that position minimizes the number of times your vehicle is moved in and out. In an enclosed hauler you want to be in the top upper front for the same reason.

Before your car is ever moved it is important to be sure the following is done.

Color Photos of the Following:

- VIN #
- Odometer
- All 4 sides of the exterior
- Engine Compartment

- Trunk
- Car Condition Verified

Have the Photos E-Mailed to you from the seller or intermediary you are using.

The Pink Slip and other paperwork on the car should be mailed to you separately certified mail. NEVER leave the Pink Slip in the car.

Once all that is done you now need to look at the Hauler you have picked and see what their insurance limit is. Ask to see a copy of the policy or certificate showing the limits.

Coverage can vary as in Total Loss only or Coverage by weight of the car. The limit of coverage is NOT proportionate per vehicle. In case of a 6 million limit and a car is totaled that is valued at 5 million the other cars share unequally in what is left of the coverage.



You have done everything on the checklist you think, but wait stop! Don't load the car onto the hauler yet – get the car insured with an Agreed Value policy through you agent. Once the car is insured you can have peace of mind should something happen to it.

Cars that don't have to be registered such as race cars, drag cars or museum cars can be insured on an STP policy, Storage, Transit Pac. (Storage, In transit, loading and unloading)

Following these suggestions should make your experience a pleasant one.

Homeowners Insurance

One of the most important purchases you can make is your home; equally important is protecting this asset.

Purchasing the right policy is vital for your peace of mind.

Your Homeowners policy includes Property protection for the dwelling, other structures, personal property, loss of use and personal Liability; your personal property is covered with some exclusions.

Almost all Homeowners Insurance policies include Guaranteed Replacement Cost up to 125% to pay the cost to rebuild your home. You can also purchase extended replacement cost at 20-25% if construction costs run over from some of our companies.

Inflation guard on a policy annually increases the amount of your Home

owner Insurance to keep up with inflation. This helps maintain adequate coverage in case of a loss.

Higher policy deductibles can help with the cost of the policy, \$500 instead of \$250, \$1000 or higher to save the most money. Your Agent can help to advise you.

The homeowner's policy includes liability coverage against a claim resulting from bodily injury caused by an accident on your property, or by your actions elsewhere. Family members who reside there are also covered. Liability amounts at \$300,000 - \$500,000 are recommended.

Included on the policy is Loss of Use. Loss of Use helps pay your living expenses over and above your normal ones if you must vacate the home due to a claim or a government order to vacate. This can be very valuable as the rebuilding process takes months.



There are many sub limits to the HO-3 homeowner's policy that should be looked at to see if any changes need to be made.

There is NO coverage for Flood, Earthquake, or Earth Movement on the Ho-3 Homeowners form.

Coverage for Fine Arts, Jewelry, Antiques and other collectibles can be added to the policy for an additional charge.

Protecting Assets with a Personal Umbrella

Asset protection can be as simple as purchasing a Personal Umbrella Policy from your Agent.

Purchasing and maintaining an Umbrella policy as part of your insurance portfolio will provide you peace of mind, reassurance and protection against lawsuits and claims that can grab your assets should you be underinsured.

The Umbrella policy coverage "sits" over your Homeowners and Auto policies and come into use when a claim or judgment exceeds the limits of your underlying Auto or Homeowners policies. Should the sum awarded or judgment exceed the policy limits that you have, the additional amount would have to be paid from your pockets.

Typically in order for your Umbrella policy to pay out once the claim is submitted to them the underlying home or auto policy had to accept

the claim and pay on it as "First Dollar Defense". In cases where the claim is denied first by let's say the auto policy, it is not automatic that the Umbrella policy will pay out. The reason for the denial will be looked at thoroughly.

It is usually better if you can place your home and umbrella with the same insuring company. In case of a claim the umbrella in many cases "follows form" and pays any claim submitted to them after the Homeowners policy limits are exhausted. In many cases the Home, Auto and Umbrella can be written with the same company and discounts obtained.

Umbrella policy limits typically start from 1 million to 5 million or even higher. The policy provides coverage over your Auto, Home, Watercraft, Motorcycle and other personal policies.

Annual premiums vary from a low of \$300 and up. Discounts can be had with multiple policies with one carrier.

Sitting down and reviewing what you have to protect is step one and having an Umbrella policy is a smart part of your insurance Portfolio.

Talking with your Agent is a good part of the process.



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