

## **Agreed Value Car Insurance guide**

Classic cars can often take up a lot of your time to restore them to their former glory, but after putting in countless hours in the evenings and at weekends, the next thing on your to do list is to ensure you are covered to recover the full amount of money you have spent on the car in the event of a crash. This is where an 'agreed value' insurance policy is needed.

### **So, what is an agreed value insurance policy?**

An agreed value policy means that should your car be deemed a total loss (written off or stolen), you will be paid out an amount based on the valuation of the car agreed between you and your insurance provider when you take out the policy. The difference between this and a standard insurance policy is that with standard cover; should your car be written off, you would only receive the current market value – effectively you are protecting your own investment.

The value of classic, prestigious cars tends to fluctuate based on the condition of the vehicle, and of course the desirability of the car, so you can save yourself taking a financial loss on your vehicle.

When you take out your policy, you will need to pay an additional fee to secure an agreed value; however this is more than worth it in the long run; for a small price you can ensure you receive the maximum amount possible back if you have to make a claim, the only loss you would be the voluntary excess you agreed to.

### **What information do I need to provide for an agreed value policy?**

The insurance provider will ask for as much information as possible before agreeing a value, normally they will want the following:

- Photos of the vehicle including: all sides of the car, front and back  $\frac{3}{4}$ , the front and back of the car, the engine bay, the car registration plate, the dashboard including showing the current mileage, and the interior of the car.
- All available service records/history
- Model specification & year of production
- The body colour, and original colour (if different)
- The current condition of the interior
- Details of any body damage
- Any major mechanical replacements

You can help protect your vehicle & of course the amount you will receive back should the unthinkable happen by providing as much information upfront as possible. Some insurance providers may also request an independent valuation from a specialist car valuer.

### **Check your policy options**

Ask for the following information when you are considering which insurance provider to choose:

- Can the agreed value be increased each year to correspond with the value of the vehicle? – Classic car prices rarely stay the same, so changing the value will help you recover as much as possible.
- Are you covered for attending car events, competitions and club meets with other enthusiasts?
- Would a limited mileage policy save you a lot of money on the price of the insurance? You are deemed less of a risk to insurers if you are on the road less, so if you only use your car for an hour or two at weekends, be sure to tell the insurer.

### **How do I get an agreed value policy?**

Most insurers now offer classic car insurance, sometimes discounts are offered through recognised car/owner's clubs, however shopping around and comparing different providers using sites such as <http://www.moneysupermarket.com/car-insurance/> can mean big savings on your insurance.

### **Tips to save on your insurance**

There are many ways in which you can save yourself money when taking out an agreed value insurance policy, so consider the following when looking for the best deal:

- Pay upfront – insurers offer discounts to those paying annually as opposed to monthly instalments.
- Increase your excess – this can help reduce the overall cost of your premium.
- Security is paramount – ensure your car has adequate security such as an alarm or tracking device. Locking your car in your garage overnight also helps lower the costs.
- Change your insurer - research from Moneysupermarket.com has shown loyalty doesn't always pay; the best deals are often given to new customers rather than those renewing.

Agreed value insurance is the best way forward when looking to protect one of your prized possessions, just make sure you don't undervalue your vehicle; after all you are paying for the right to claim an agreed amount back.