

On the Road Again: Classic Car Owners Have Special Auto Insurance Needs

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I.I.I. Offers Tips to Collectors Insuring an Antique Vehicle

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NEW YORK, July 28, 2008 - Antique and classic car owners across the country traditionally attend shows and club events during the summer months, such as the famous [Meadow Brook Concours d'Elegance](#), which is being held Aug. 2-3, 2008 in Auburn Hills, Michigan. Yet newcomers to the collectibles market should be careful to research the best way to insure their vintage vehicles before they hit the road, according to the Insurance Information Institute (I.I.I.).

Antique and classic cars, defined as those built 30-plus years ago, have special needs that differ from traditional vehicles. Regular-use cars are on the road every day but antique and classic cars are typically used for limited pleasure driving, car shows and club events.

"Whether it's a 1932 Alfa Romeo or a 1962 Ferrari, antique and classic car owners should purchase auto insurance coverage for their collectible separate and apart from the policy that covers their regular-use vehicle," said Michael Barry, vice president, Media Relations at the I.I.I. "While regular-use vehicles depreciate in value over the years, many classic cars appreciate in

value and have to be insured accordingly."

As with a typical regular-use auto policy, an antique or classic car policy generally includes the following basic coverages: liability (bodily injury and property damage); collision; comprehensive; uninsured and underinsured motorist coverage; and medical payments or personal injury protection. Collision and comprehensive coverage are optional in most states.

Antique or classic car owners ought to pay special attention to the following issues when purchasing insurance.

- **Vehicle Usage:** Most collectible cars are rarely on the road. The annual mileage for these vehicles usually ranges from 1,000 to 5,000 miles, and the policy should reflect that limited use.
- **Vehicle Storage:** Antique and classic car insurers traditionally insist that these types of cars be stored in a fully enclosed, locked garage when not in use.
- **Vehicle Valuation:** Agreed-value policies are preferable to stated value policies. Agreed value policies guarantee that, in the event of a total loss, the insurer will pay the owner of the car the full amount listed on the policy, minus any deductible. Stated value policies, while rarely sold, are often open to interpretation about the value of the vehicle in the event of a claim.
- **Vehicle Condition:** Insurers prefer to insure cars that are in excellent condition, and antique and classic car insurers may decline to cover cars that appear to be weathered or that have sustained prior damage. Insurance coverage can usually be obtained, however, while an antique or classic car is undergoing an active restoration.

Some insurers of collectible vehicles may want to know whether spare parts are available in the event that the car is damaged, and whether there are auto body shops equipped to fix older vehicles in the vicinity of the owner's residence.

However, most insurers specializing in antique and classic cars have an extensive network of resources that can help owners obtain rare and hard-to-find parts. Moreover, some insurers will occasionally allow a policyholder to ship an antique or classic vehicle across state lines for repair at a shop with expertise in a particular car.

"This type of specialty insurance is very sensitive to market forces from both the insurance industry and the collector car market," said Barry. "Reviewing your policy annually will help you understand your car's potential worth and the type of coverage you need."

For more information on other types of specialty insurance, such as policies for boats and motorcycles, go to the [Specialty section](#) of the [I.I.I. Web site](#).

For related audio, go to [Classic Car Owners Have Special Auto Insurance Needs](#).

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