

Protecting Collectible Cars

(NAPSI)-Baby boomers are fueling a growing interest in classic car collecting, with membership in the country's largest antique car club now reaching 60,000.

But while most car collectors know there's a big difference between the vehicles they collect and the ones they drive every day, not everyone insures his or her collectible and everyday vehicles differently. Experts say that could leave collectors in a financial bind should they need to file a claim.

So how can you be certain your collectible car is insured properly? Here's a closer look:

Think Actual Market Value

Like any other commodity, collectible vehicles—which include antiques, classics, street rods, modifieds and exotics—change in value on a frequent basis and their insurance should reflect that. For instance, a 1967 Shelby Mustang, which just a few years ago could be bought for as low as \$35,000, is fetching around \$200,000 at large auctions today.

Daily-use vehicles are insured on an ACV (actual cash value) basis, which means if you have a total loss, you'll be paid the original purchase price of your car less all depreciation to the date of loss. But collectible cars should be insured based on something known as an agreed value basis.

For example, a company called Classic Auto Insurance specializes in collectible autos. In the case of a total loss, it pays the insured party the true current market value of his/her collectible vehicle, as opposed to the original purchase price, less depreciation. This better reflects the nature of collectible cars, which tend to increase in value, rather than decrease.

Don't Pay For Unused Miles

Traditional insurers typically require coverage equivalent to an owner's primary car, even though car collectors usually only drive their antiques about 1,000 miles a year.

Collectible car policies should be much less expensive than a standard driving policy, as it's anticipated that a collectible car will be driven far less than a regular use auto. For instance, Classic Auto Insurance offers policies in three mileage cutoffs: 1,000, 3,000 or 5,000 miles per year. Be sure you're not paying for miles that you don't drive.

For more information on insuring a collectible car, call (800) 397-0765 or go to the Web site www.classicins.com.

Protecting A Passion—Collectible cars need to be insured differently than everyday cars.