

# What is agreed value and why is it important?

The *agreed value* of your antique or collector car is a value that both you and the insurance company underwriters can agree on.

Using photographs, receipts, repair documents, and other information, both parties come to an agreement that the car is currently worth a certain dollar amount, and should be covered for a maximum of that amount in the event the car is totaled.

The agreed value is different from the actual cash value, which is based on the age, mileage, and overall condition of the vehicle as well as other factors, including depreciation.

The reason agreed value is important for an antique or collector car is that you are the only one who really understands how much you have invested in your vehicle. It takes into consideration the amount of time and money you have spent restoring the car, as well as how much you might charge if you sell it.

Normally, insurance carriers are willing to offer you the amount of coverage you desire; however, the greater the coverage, the more expensive your premium will be.

---

## How can I qualify for vintage

# car insurance?

Every auto insurance carrier has its own criteria for defining collector cars. What one carrier considers an antique vehicle may not meet the criteria of another company.

Typically, if a car is at least 20 years old and is in near factory condition, most carriers will consider it antique or classic. Classic cars with considerable customization may be categorized as modified. It all depends on the individual insurance provider.

---

## What is antique collector car insurance?

The main difference between traditional cars and collector cars is that collector cars usually don't depreciate. In fact, they often increase in value. Moreover, collectors often add customized parts to the vehicle, not to mention hours of time improving the car.

Thus, collector car insurance must be based on the "agreed value" of the vehicle at the time the policy is issued. The agreed value includes your entire investment in the car.

Moreover, rates for antique collector car insurance are normally cheaper than they are for traditional coverage, since collectors tend to take better care of the vehicle and drive it less than they do a car meant strictly for transportation.

---

# What kinds of cars are eligible for collector car insurance?

Several types of cars are eligible for car collector insurance. These typically include vintage and antique cars, classics, "modified cars," and "exotics."

- "Vintage or antique" cars are usually at least 20-25 years old. They must be as close to original condition as possible.
- "Classic" cars are usually between 15 and 20 years old; like antiques, they must also be in original (or near original) condition to be eligible for collector car insurance.
- "Modified" vehicles are classic cars that have been altered in some way from their original condition. Most carriers allow up to three significant modifications to the vehicle. Any more than that disqualifies the car from vintage car insurance coverage.
- "Exotic" vehicles are typically less than 15 years old, but nevertheless are already beginning to appreciate in value.