

How to Buy Classic Car Insurance

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If you are fortunate enough to own a classic car – or any collectible automobile – then you want to ensure that your luck does not run out because of having inadequate insurance coverage. Call it covering your butt – or covering your “asset” – but by all means, call one of the major providers such as American Collectors, Haggerty, or Parish Heacock insurance companies and let them put you in the driver’s seat in terms of professional protection of your cherished automotive investment.

How to Kick the Tires on Classic Car Insurance

The whole idea of insurance is that it needs to do what you expect of it in an emergency, when the rubber really hits the road. And classic car insurance is as different from conventional auto insurance as, well, a classic car is from your run of the mill generic vehicle.

When you buy a classic car insurance policy, you are essentially purchasing protection for those times when - God forbid and knock on wood it doesn’t happen – disaster strikes in the form of a fire, a collision, or an act of theft or vandalism. Just as we now have modern airbags to save us in the event of a crash, we also have collector’s car insurance, to protect us with adequate moneybags when calamity throws a wrench in the works.

The time you invest in choosing the right classic car insurance coverage is well worth the value and peace of mind that a quality collector’s insurance policy delivers for owners of classic motor cars.

The Nuts and Bolts of Classic Car Insurance Coverage

Collector car insurance is not the same as the insurance you buy for normal coverage of your daily transportation. Collector car insurance, or classic car insurance, is made especially for the needs of the car collector. And while ordinary insurance does offer some protection, no matter what you drive, it can leave you high and dry in the event of a loss that it not effectively covered by the terms of the insurance contract.

For example, you may have a garage-kept 1970 Camaro Z28 you bought back in 1978 for the princely sum of \$2,000. Dealers are offering you \$15,000 for it, and you saw another one sell at an auto show for \$22,000. If you don’t have special collector car insurance or classic car insurance, and the car is totaled, you will be lucky to get your “original” \$2,000 back for it. Don’t take that chance. Get proper classic car insurance today!!

Stipulations or requirements normally encountered while shopping for collector car insurance or classic car insurance:

- A decent driving record.
- At least 10 years driving experience
- No teen drivers on the policy or drivers with poor driving records
- Secure and out of the weather garage
- Proof that you have another car for daily transportation
- Collector vehicle insurance is sometimes limited by the age of your car, and if your car is too young it may not qualify for a particular policy.
- Limited mileage. You probably don't want to drive your creampuff car all the time, and your insurance company doesn't want you to either. Mileage limits have increased recently, though, so if you can live with 250 miles a month you're probably okay.

Coverage with collector car insurance or classic car insurance:

Three kinds of value are important to understand when buying your policy.

1) Actual cash value:

This is what you usually get with ordinary insurance, and is based on replacement cost minus depreciation.

2) Stated value:

The insurance company pays up to the stated value of the car, but may not guarantee the full stated value. And deductibles of up to \$1,000 usually apply.

3) Agreed value:

In most jurisdictions, those who provide collector car insurance or classic car insurance are allowed to insure for a value that you and your insurer agree upon. And for most autos, there is no deductible. If your \$100,000 vintage Rolls get trashed, you get a check for 100 grand, plain and simple – which is exactly why collectors use special classic car insurance coverage.

Do a periodic review of your coverage limits, because classic car prices are rising. What you insured your cherry classic for ten years ago may be a fraction of what it's worth today. And if you are restoring a vehicle, ask your agent to give you appropriate insurance. There is no need to pay extra based on mileage statistics, if your car is up on blocks with no engine inside it. And as the car's value increases thanks to your hard work of restoring it, you should raise the coverage to keep up with the added value of the restoration.

Keep all your receipts and paperwork – for everything from parts and labor to expenses incurred to take it to a classic car show – so that you can document the total

investment your collector's car represents. And take photos and keep them updated, for the same reason.

And Last But Not Least: Special Savings Opportunities

As long as you meet the criteria in terms of how you use and take care of the car, you can usually buy a policy.

Traditional insurers will either refuse coverage, offer only a replacement value based on the nuts and bolts (minus heavy depreciation) of the car, or will charge you a prohibitive amount for the premium. But many collectors find that special collector's coverage saves them money – as much as half – while insuring them for higher limits, sometime three or four times what a traditional company gave them.

Yes, it's possible to get collector's insurance coverage for full market value for your car, and save up to 50 percent off of the premium you'd pay with ordinary insurance. That makes classic car insurance a must-have for any serious car buff.

Below is information about three of the most reputable and dependable collectors and classic car insurance companies in the USA (All information listed below subject to change, please contact the insurance companies listed to be sure.):

Hagerty Insurance

P.O. Box 1303
Traverse City, MI 49685-1303

Email: auto@hagerty.com
Toll Free: 800-922-4050

Qualifications:

- Similar to the others listed below, but please contact Haggerty for details.

American Collectors Insurance

P.O. Box 8343
Cherry Hill, NJ 08002

Email: info@americancollectors.com
Toll Free: (800) 360-2277

Qualifications (subject to change or regional laws so check with the company for specific up-to-date information).

- At least 15 years old
- Garage-kept

- Driven on a limited, pleasure-only basis (up to 5,000 annual miles - available in most states)

You may also qualify by:

- Having at least 10 years driving experience
- Having a good driving record
- Having at least one "regular" vehicle for every licensed driver in the household

You may request a policy application either directly from American Collectors Insurance or through your local insurance agent (rates are the same either way).

Parish Heacock Classic Car Insurance

P.O. Box 24807

Lakeland, FL 33802-4807

Email: info@parishheacock.com

Toll free: (800) 678-5173

Qualifications (subject to change or regional laws so check with the company for specific up-to-date information).

- Each household member of driving age must have at least 10 years driving experience or be excluded.
- Each household member must have a regular use vehicle less than 15 years old that is insured with liability limits equal to or higher than the limits being applied for on the collectible vehicle.
- All licensed members of household and any other drivers of the vehicle must be listed on the application.
- Maximum of two accidents or violations in the household, maximum of one per licensed household member in past 3 years. No major violations permitted in past 5 years.
- A Driver Health Questionnaire must be completed for all drivers over 70 years old.
- Auto must be stored in a locked permanent garage facility when not driven.
- Auto may not be used for commuting to or from work or school, used for business purposes or as a substitute for another auto.
- Autos not covered while on a racetrack or when being used for: racing, speed, driver's education, or timed events.
- Must display pride of ownership: well maintained, in restored or well-preserved condition.
- Vehicles under restoration must be stored at residence or a restoration shop, with a target date for completion. Agreed value coverage is not available on cars under restoration. Eligibility subject to company review.
- Replica Vehicles and Pro Street vehicles are subject to company review.
- Trucks and Jeeps must be over 25 years old, and not be used for towing, hauling, off-road or utility use.

- Generally do not require appraisals, but may ask for one if vehicle value is difficult to determine.