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### CLASSIFIED ADVERTISEMENTS

## A CLASSIC INSURANCE PROBLEM

by Brock Benn

Since you purchased your GMC Motorhome you have invested thousands of dollars — maybe even tens of thousands of dollars — rebuilding, refurbishing and renewing your classic motorhome. While you certainly have increased the value of your GMC Motorhome, you may have difficulty documenting its true value.

The two more commonly used motorhome blue books, Kelley and NADA, no longer list most GMC Motorhomes. This presents a problem for insurance company underwriters, because they rely on these books to determine your motorhome's insurable value and the resulting policy premium. Claims adjusters rely on these same books to establish the value of your motorhome in the event of a total loss. Now, you can see what I mean by a "classic" insurance problem.

Most motorhome policies sold in this country are written on what is known as Actual Cash Value (ACV) — the same as most automobile insurance policies. This means the insurance company will pay you the ACV of your GMC Motorhome at the time of a total loss. But, what is that value, and who sets it? Put yourself in the shoes of the claims adjuster who may not be familiar with motorhomes, let alone GMC Motorhomes. Consider that he has no blue book for reference. It now falls on you, the policyholder, to prove your loss. Your only hope is that the adjuster will accept your pile of receipts for parts and labor, along with your original bill of sale, as proof of your investment. Even if your documentation is acceptable, this total may fall far short of your motorhome's true value.

So what can you do to prove to your insurance company what your GMC Motorhome is really worth? And, even more important, once that value is known, how do you make sure the insurance company will actually pay that amount if your GMC Motorhome is stolen or totally destroyed in a fire or in an accident?

The solution to the "classic" insurance problem is really very simple — it's called an Agreed Value

policy. This policy provides insurance coverage in an amount equal to the value of your motorhome determined by a qualified appraiser. You pay a premium based on this value, and that's what you will receive from the insurance company in the event of a total loss. The Agreed Value appears on the declarations page of the insurance policy, and will remain unchanged for three years unless it is modified by an updated appraisal. Usually, a new appraisal must be submitted every three years.

This type of coverage should not be confused with replacement-cost policies now available from a few companies specializing in motorhome insurance. Replacement-cost policies are generally only available for newer motorhomes and typically guarantee to replace a destroyed motorhome with a new one. Since GMC Motorhomes are no longer manufactured, Agreed Value coverage fits the bill by locking in the appraised value up front when the policy is written. This value takes into consideration what similar motorhomes would sell for based on such factors as model year, quality and completeness of renovation, added features and overall condition.

Agreed Value coverage for motorhomes was first offered by RV Alliance America (then Alexander & Alexander) in 1995. The genesis of this innovative coverage came from the comments and concerns of numerous GMC Motorhome owners. If you think this type of policy sounds like it was designed for GMC Motorhomes — you're right!

The cost of adding the Agreed Value feature to your policy is minimal. In order to add this coverage to a new or existing RV Alliance America (RVAA) policy, all that's needed is an up-to-date appraisal. There are numerous facilities and some individuals qualified to appraise GMC Motorhomes. If you're not familiar with an appraisal service, contact RVAA at 800-521-2942 for a referral. ✿

*Brock Benn is a Senior Vice President with RV Alliance America and has more than 25 years of specialized motorhome insurance experience.*