



## Vehicle Replacement Coverage

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Most insurance companies and pools offer vehicle coverage on an Actual Cash Value basis (ACV). ACV reimburses the owner for the current market value of the vehicle, *minus depreciation*. With the increase in costs to replace vehicles, members could be left with budget shortfalls should they find themselves with an unexpected vehicle loss.

**The VRSA Difference:** While some insurers may offer replacement cost coverage on vehicles as an option, VRSA has provided **replacement cost coverage** on vehicles as part of our standard offering for more than 24 years. Replacement cost is the cost to replace a vehicle ***without deduction for depreciation***.

We also provide new vehicle replacement coverage for vehicles less than five years old. Why does this matter? A loss of a high-value vehicle can be detrimental in trying to balance a budget. This applies to vehicles **less than five years old** and generally **valued at more than \$100,000**. Value thresholds can be increased or lowered based on your needs.

A member's one-year-old refuse vehicle was totaled. We paid in excess of \$250,000 in replacement cost for a **new** truck, whose estimated ACV was \$185,000.

A member's three-year-old bus hit a tree, causing extensive damage. We paid in excess of \$106,000 in replacement cost for a **new** bus, whose estimated ACV was \$70,000.

**For additional assistance, contact VRSA's Member Services team at: 800-963-6800.**

