



A publication dedicated to the preservation of a classic and timeless vehicle

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**CLASSIFIED ADVERTISEMENTS**

## CLASSIC INSURANCE PROTECTING YOUR INVESTMENT

by Brock Benn

When I was asked to write this article it occurred to me that this is the third time I've written a similar feature for *GMC Motorhome News*. The first article appeared in 1994 when our company was known as Alexander & Alexander. As I read the article I wrote back then I was struck with just how much my industry has changed in the last eleven years.

For starters, our company has changed names twice! In 1997 Alexander & Alexander merged with Aon Corporation and the RV division was re-named RV Alliance America, then in March of this year we became Aon Recreation Insurance to better reflect the products we sell. In addition to RVs, we're now able to insure autos, boats, motorcycles, ATVs, snowmobiles, collector cars and personal umbrella. Because we're an independent agent representing various insurance companies (carriers), we're able to shop the market for the best insurance value.

There have also been many changes within the insurance industry in the same period. We saw Royal & Sun Alliance, our insurance carrier partner for nearly 40 years, leave the U.S. market. Many GMC Motorhome owners were insured with Royal through our agency. In response to Royal's departure, we partnered with additional insurance carriers, all first-rate companies offering similar coverage formerly available from Royal. We now offer specialized RV coverage through Progressive, National Interstate and American Modern insurance companies. All three carry a financial rating of "A" or better by the rating service A. M. Best.

In 1994 there was really no specialized insurance coverage available for GMC Motorhomes. During the 1980s and early 1990s we heard concerns from GMC Motorhome owners about how they couldn't find a company to write a motorhome insurance policy to reflect the true value of their coach. These concerns became even more urgent

after the blue books stopped listing GMC Motorhome models. At that time, Alexander & Alexander provided a motorhome policy with the broadest coverage available, but it was still essentially an Actual Cash Value contract.

With the exception of RV specialty agents (like Aon Recreation), most motorhome policies are written on what is known as Actual Cash Value (ACV)—the same as most auto insurance policies. In the event of a total loss, the most you will receive from the insurance company is the ACV—sometimes known as "book value." But what is book value if GMC Motorhomes are no longer listed in any blue book?

Put yourself in the shoes of the insurance company adjuster who may not be familiar with motorhomes, let alone a classic GMC Motorhome. Then add to this equation the fact that the adjuster has no blue book for reference. It now falls on you, the policyholder, to prove your loss. But now that your coach is stolen or burned in a total fire, how will you prove what condition it was in? Let's say you have boxes of receipts showing what you've spent over the years to renew and maintain your GMC Motorhome, and let's say the adjuster accepts your documentation, this total may still be well short of your vehicle's true market value.

So what can you do to avoid an ACV settlement and be able to prove what your GMC Motorhome is really worth? And even more important, once that value is known, how can you guarantee the insurance company will actually pay that amount in the event of a total loss?

In 1995 we created the answer—Agreed Value coverage. With this coverage on your policy, you'll have a policy that will pay the agreed upon value of your classic GMC Motorhome, as determined by a qualified appraiser. You pay a premium based on this appraised value, and in the event of a total

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