

ICBC collector vehicles program questions:

1. ICBC Autoplan Insurance brochure (Sept.11, 2016) Part 9, refers specifically to “vehicles such as trailers,..., motorcycles,..., modified and modified collector vehicles” with regards to declaring their value. When the declared value of these vehicles are too low a co-insurance clause then applies per ICBC Autoplan Optional Policy brochure (June 2007) Division 5-Part 2A.

Are vintage vehicles, including motorcycles, that are insured under APV44, which requires a stated value, subject to this co-insurance clause?

For policies issued with an effective date of March 26th 2017 and newer the APV44 is no longer a stated value. The policy is now based on a declared value basis. Policies issued prior to March 26th 2017 were based on a stated value basis. The stated value was not subject to the co-insurance clause.

As a number of vintage and collector vehicles are now trailered, what are the implications of a claim that may arise out of an incident when the trailer may not be adequately insured and is subject to the co-insured clause?

The insurance or declared value for the trailer is not factored into a loss to the vehicle that is being trailered. The vehicle’s own insurance, if purchased, would respond to cover the vehicle’s loss.

2. ICBC Autoplan Optional Policy brochure (June 2007) Division 5-Part 2A, Section 5.10 (b) (iii) excludes rate class 701 & 705 from declaration of value.

Section 5.10(b) (iii) is the co-insurance clause that applies to partial losses only. This clause does not apply to modified collector vehicles insured in collector rate classes. What this means is a partial loss on a modified collector vehicle is covered without reference to co-insurance. However, at the same time if the modified collector vehicle is insured for less than its market value the maximum payable is the declared value.

While the non-modified collector vehicle owners are exempt from having to declare their vehicle’s value, are the modified collector vehicle owners in this rate class always required to do so?

As non-modified collector vehicles in rate class 701 & 705 are subject to current market valuation in the event of loss, could a modified collector vehicle without a declared value be subject to the co-insurance clause in the event of a claim?

Modified collector vehicles always require a declared value. Regular collector vehicles are insured on a different basis from modified collector vehicles. The value of modified collector vehicles cannot be determined based on the average value of a typical stock vehicle, due to the potential significant value of the vehicle’s additional equipment and modifications. We therefore require that a modified collector vehicle owner declare its value to ensure adequate coverage for the vehicle inclusive of modifications.

Of note: vehicle modifications must be declared to ICBC, whether or not the vehicle is insured in the modified collector program. This is a requirement of Sec. 15 of the Motor Vehicle Act and furthermore, the owner benefits from then being able to insure their vehicle on a declared value basis. Rate group vehicles, per Sec. 5.11(b) (iv) are limited to maximum of \$5000 in permanently attached equipment. Declared value vehicles have no such limit, provided that the declared value of the vehicle takes modifications into account.

3. ICBC Optional Policy brochure (June 2007) is currently referenced on the ICBC website. However, the Collector Motor Vehicle Agreed Value Policy (APV348) in Division 9 was eliminated on January 1, 2014. Are there other areas of this brochure that have been eliminated or revised that may affect vintage and collector vehicles with regard to the questions above?

Vintage vehicles are now insured based on a declared value rather than a stated value.

4. Under the FAQs for collector and vintage vehicles on the ICBC website, in some instances a collector vehicle can be registered when undergoing restoration. What methods of establishing a declared value on such a vehicle would be acceptable to ICBC?

Registration, for a vehicle undergoing restoration, is a separate process from insurance. There are restrictions on what insurance can apply to vehicles undergoing restoration.

A vehicle undergoing restoration that is approved for registration will be limited to the following, until they are approved for licensing:

- One-day Temporary Operation Permits (TOP) for inspection or repair purposes
- Storage Policy (available for complete vehicles only – all parts, all from the same manufacturer).

If the customer wishes to insure a vehicle that is under restoration. The vehicle will be insured using rate groups and not a declared value.

Note: ICBC does not have a specialized policy for these kinds of risks.

5. If a collector vehicle does not qualify for coverage under the previous item 4, it is usually insured under a standard policy. The actual value of such a vehicle may be significantly higher than the market value of an unrestored vehicle of the same year. Is a declared value rider available under a standard insurance policy through ICBC?

No, as above we do not have a specialized policy for these risks.

6. What criteria does ICBC use to establish the market value of a collector vehicle when there are limited comparison vehicles with which to arrive at a suitable declared value initially, and how would this affect the co-insured clause in the event of a claim?

ICBC's estimators have procedures in place to determine the ACV of customers' vehicles. This procedure includes reviewing all the customers supporting documentation as well as, conducting detailed online research using industry standard resources.

Procedures include:

- obtain all available information on the vehicle condition and servicing from the owner:
 - service record if owner maintained
 - servicing and part replacement supported by invoices
 - if the vehicle has been restored, pictures showing each stage of the restoration, and
 - in the case of a total theft, dated pictures showing the recent condition of the vehicle.
- Seek an advertised value or market value for the type of vehicle from the following sources:
 - Hemmings Motor News
 - Old Car Price Guide
 - National Old Car Auto Trader, and
 - Ultimate Collector Car Price Guide.

- Contact Autosource Specialty Services to assist in determining the ACV.
- A specialty appraiser may be consulted if the loss involves a modified collector vehicle.

The co-insurance clause for declared value vehicles does not apply to vehicles insured in collector rate classes.

7. Is there a list of vehicle appraisers that are acceptable to ICBC for the purpose of establishing a declared value that would not be subject to dispute in the event a declared value disagrees with the market valuation of a claim?

No. ICBC provides indemnity on the basis of actual cash value. The value of a modified collector vehicle may change over time and the owner must ensure the declared value remains accurate. ICBC will carefully evaluate the value of a vehicle in the event of a loss, but it is also in the owner's own interest to ensure they have documentation that reflects the current value of their vehicle and that value is appropriately declared.

8. Are valuation tools based on actual market activity, such as on the Hagerty or NADA websites, acceptable to ICBC when establishing a declared value for a collector vehicle, and would they be referenced in the event of a claim?

It is the responsibility of the vehicle owner to accurately declare the value of their vehicle. ICBC references industry standard resources and has specialty vehicle estimators to determine ACV in the event of a loss.

8. Many brokers are unfamiliar with the details of the collector vehicles program, particularly the subject of declared value. Would it be possible to clarify some of the above issues in a brochure or on the ICBC website?

There is some information on declared value in the [ICBC Autoplan Insurance guide](#) on ICBC.com