



New Car Replacement

What is new car replacement?

If your car is totaled by the insurance company then you are paid the cost of a brand new “current model auto”, of the same quality and features to the one you had. You also are paid the cost of any taxes, and licensing.

Example: If your auto were three model years old – and current market value is \$19,000 but a brand new one with similar features is \$30,000. Your payment would be \$30,000, not \$19,000.

CAUTION: Some companies claim to provide new car replacement for a specific number of months only, some are One Month, some Three Months and some Twelve Months.

Most insurance companies, “even without a special coverage endorsement”, if your auto is less than one month old will pay for a brand new auto. This is simply the right thing to do. True, new car replacement, “TRICOR’s opinion”, is provided for several years of ownership, not a few months.

Newer Car Replacement

“also called Better Car Replacement”

What is newer car replacement? Several variations may exist

Actual Value plus 25%.

If your car is totaled by the insurance company then you are paid the actual or market value of your car at the time of the covered loss and added to this is 25% of that value. You also are paid the cost of any taxes, and licensing.

Example: If your car is totaled and is 5 years old and the current market value is \$10,000 and a brand new vehicle like it is \$30,000. Your payment would be \$10,000 + 25% more or \$2,500 for a total of \$12,500. Taxes and licensing would also be paid in addition.

Actual Value plus one model year newer.

If your car is totaled by the insurance company then instead of paying you the actual or market value of your car at time of loss they use pricing for one model year newer and pay you this amount instead. You are also paid the cost of taxes and licensing.

Example: If your car is totaled and is 5 years old and the current market value is \$10,000 and a similar vehicle one model year newer is \$12,000, then you are paid \$12,000.