

## RV Coverage Breakdown

### Collision and Comprehensive

Collision and Comprehensive (Other than Collision) coverage are without a doubt two of the more important types of RV insurance coverage, and are also the most misunderstood. In this section, we'll discuss what kind of insurance claims collision and comprehensive cover, and how to select a deductible that is suitable for your particular needs. Of course, when in doubt consult your insurance agent for advice on selecting an appropriate deductible and for more detail on individual limits.

Collision coverage is just what it sounds like; it provides coverage in the event your RV collides with another object. Collisions can be as varied as backing into a light post, or getting into an accident on the road. Generally, collision coverage starts paying after a deductible is met and up to the limits specified in the policy.

Comprehensive is also called "Other than Collision," or OTC for short. OTC provides coverage for losses that are not a direct result of a collision or accident. Some common claims that are typically covered by OTC include: weather-related damage, fire, theft, vandalism and windshield chips/cracks as a result of road hazards. Be sure to read your policy and note any specific coverage exclusions. For example, most RV insurance policies do not provide coverage for normal wear and tear. Just like Collision coverage, OTC starts paying out after a deductible is met and up to the limits listed in the policy.

The deductibles listed on your policy are the dollar amounts you are responsible for paying before the insurance policy starts paying for a claim. Most insurance companies offer a broad range of deductible limits to select from (\$100 to \$5,000). As a rule of thumb, the lower the deductible, the higher the premium so it is important to find a balance of what you are willing to pay out of pocket in the event of claim, and how much you want to pay in insurance premiums. Your insurance agent can help evaluate your personal needs and quote multiple deductible limits for price comparison.



## **Medical Payments and Uninsured/Underinsured Motorist**

Medical Payments and Uninsured/Underinsured Motorist are two options which are considered standard auto coverage, but are often overlooked. Found on just about every vehicle policy, whether for an auto, motorcycle, boat, or motorhome are Medical Payments and Uninsured/Underinsured Motorist.

Medical Payments cover medical bills incurred by you, family members, and passengers for injuries sustained during an accident in your car. This coverage also pays for you or your family members injured while riding in another person's car or while walking, and applies to the limit listed on the policy regardless of who is at fault.

If you and your passengers already have health insurance that covers similar expenses, Medical Payments coverage may be unnecessary. It is important to check your health insurance policy for details. Keep in mind; however, that Medical Payments Coverage can be an inexpensive option on an RV policy, and can help with out-of-pocket costs once your health coverage reaches its limits.

Uninsured/Underinsured Motorist pays for injuries sustained by you and passengers in your vehicle, as well as property damage sustained by your vehicle if you are involved in an accident with a motorist who does not have sufficient insurance. Uninsured coverage pays if the motorist has no insurance at all. Underinsured coverage pays if the motorist has insurance, but does not have high enough liability limits to cover the injuries or property damage you incurred. Your policy will pay the difference up to the limit of liability amount listed.

Insurance companies give you the option to carry the Uninsured (UM)/Underinsured Motorist (UIM) limit at the same amount or less as your Bodily Injury (BI) /Property Damage (PD) liability limit. It is highly recommended that you match the UM/UIM limit with your BI/PD limit. The savings are negligible if you carry less cover, plus you are responsible for paying amounts after the limit is reached.

Our goal at Explorer is to protect your lifestyle by writing a policy which fills the gaps in coverage that may occur from an accident. Medical Payments and



Uninsured / Underinsured Motorist coverage options are just as important as any of the other coverage options offered on a specialty RV policy at filling gaps that can occur from an accident.

## **Personal Effect and Vacation Expenses**

Two types of specialty coverage that may not be available for an RV on a standard auto insurance policy are Personal Effects coverage and Emergency Vacation Expense coverage. Personal Effects and Emergency Vacation expense coverage are both very valuable in the event of a claim.

Personal Effects coverage provides protection for the items packed onboard an RV. These items can range from the camera you take with you on vacation, to the clothing you pack while on the road. Most standard auto insurance policies do not provide any coverage for items inside a vehicle, whether it is a car or an RV. In the event of a claim, such as a fire, Personal Effects coverage reimburses you for your personal belongings that are damaged or destroyed in the fire, up to the limits listed in your policy. Of course, this coverage is even more important for fulltime RVers as almost everything they own is kept in their RV. Your insurance agent can help you determine an appropriate amount of Personal Effects coverage to carry, but nobody knows what you have in your RV better than you do.

Emergency Vacation expense coverage is also very important in the event you have a claim and are unable to use your RV as your living quarters. This coverage would reimburse you for most living expenses incurred while you're unable to use your RV, again up to the limits listed in your policy. Generally, things like hotel stays, meals or tickets back home would be eligible for reimbursement. Most policies that include Emergency Vacation Expense coverage have a mileage limitation, where you would have to be a certain number of miles away from home before coverage would apply. Be sure to read your policy or ask your agent if any limitations apply. Of course, this coverage would be even more important for fulltime RVers as their RV is their primary residence.



It is essential for you to read your policy in full to determine what coverage and limits you have. Talk to your agent for more details, or if you have questions regarding any of the specialty coverage listed on your policy.

## Liability Coverage

**The definition of liability is as follows:**

*Liability - Applies to claims made against you for bodily injury or property damage to others resulting from negligent operation of a motor vehicle.*

Your insurance contract can have liability in one of two ways: split limits or combined single limits.

Split limits are per person/per accident/ property damage. An example of split limits is 100/300/50. This breaks down as follows: the insurance contract will payout \$100,000 per person for an accident in which you are negligent. The next limit is \$300,000 per accident, which means it would pay a maximum of \$300,000 for injury resulting from your negligent and it will payout up to \$50,000 in any property damage you caused during the accident. The second type of limit is called a combined single limit. This is easier to understand due the fact that it covers the same amount of liability per person /per accident / property damage. An example of a combine single limit is \$300,000 CSL. This means the contract would payout a max of \$300,000 per person, \$300,000 per accident and \$300,000 in property damage

You want to review your policy and ensure you fully understand your coverage's in the event you are in an accident.

## Total Loss Replacement

Specialty RV Coverage: Total Loss Replacement, Purchase Price Guarantee, and Agreed Value

Many RVs are insured with non-specialized coverage. At Explorer Insurance Agency, we realize how significant an investment a RV can be. This section



discusses the three coverage options that are the foundation of the specialized RV policy. Each option provides a form of depreciation protection, but provides it in a different manner.

Total Loss Replacement is available to original owners of RVs with a model year within four years of the current year. This option provides depreciation protection for the first 10 model years. If a total loss occurs during the first 5 model years, the insurance company will replace the RV with the newest model, or a comparable RV. If a total loss occurs during the second five model years, the insurance company will pay the insured the purchase price paid by the insured for the total loss RV to be used towards the purchase price of a replacement RV.

Purchase Price Guarantee is available to owners of a used RV purchased within the most recent 12 months, and where the model year is no more than 10 years old. This option also provides depreciation protection for the first 10 model years. If a total loss occurs at any time during the first 10 model years of the covered RV, the insurance company will pay the insured the purchase price paid for the total loss RV to be used towards the purchase price of a replacement RV.

Agreed Value coverage is available to all owners of bus conversion style RVs. This option is available only for bus conversions, and it provides depreciation protection for three years. The insurance company requires an appraisal be submitted to provide proof of value. In the event of a total loss, the insurance company will pay the appraised value to the insured for three years. The insured has the option to submit a new appraisal every three years to maintain this option.

The purchase of an RV is a significant investment. The idea behind these specialty coverage options is to protect that investment during the years where an unforeseen accident or loss can turn the investment into an unwelcome financial setback.

