

Alliant Property Insurance Program
(APIP) vs.
Alliant Mobile Vehicles Program
(AMVP)

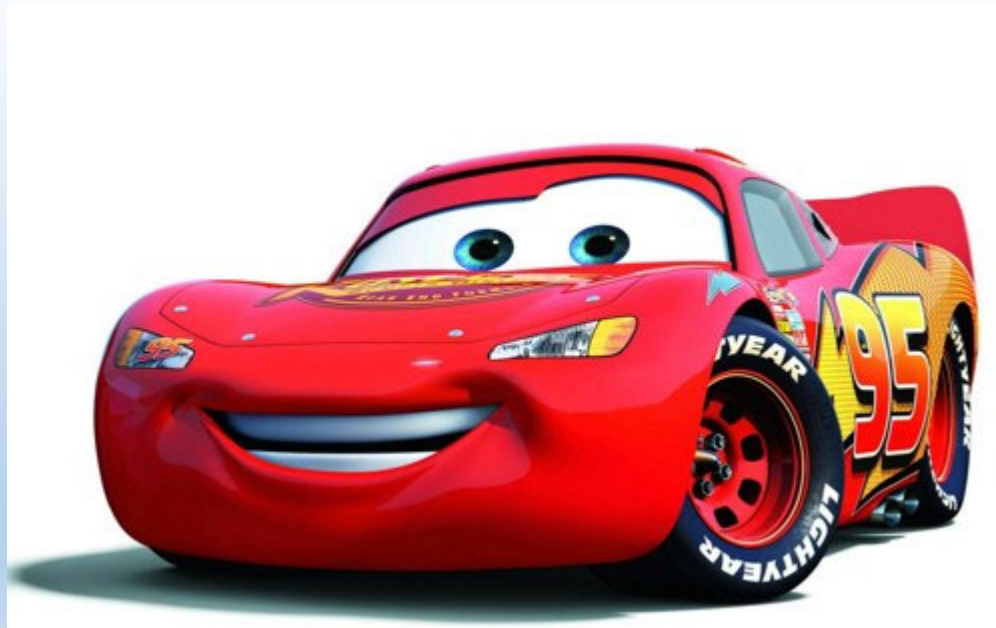


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Automobile Physical Damage (APD)

“Traditional Approach”

- Separate Policy Covering Automobiles:
 - “**Collision**” – impact with any object causing damage
 - “**Comprehensive**” – anything that is not Collision
 - Separate deductible options
 - *Usually Actual Cash Value (ACV) offered only*
- Separate Policy for Mobile Equipment
 - Anything self propelled but **NOT** licensed for road use
 - Example – backhoe or tractor
- Separate Policy for Contractor’s Equipment
 - Equipment that is **NOT** self-propelled
 - Example – trailer, generator

APD – “APIP Approach”

Customized form for public entities

- Switch out the word “Automobile” for “Vehicle”:
 - No distinction between Automobiles and *Mobile Equip.*
 - Both are covered in the form
- No distinction between “Comp” and “Collision”
 - Vehicles are either *on or off premises* (“Yard” or “Road”) with one deductible applying to loss, regardless.
- *Contractor’s* Equipment Covered in Own Section
 - Excluded from Contractor’s Equipment: Automobiles, motorcycles, motor trucks, or parts thereof.

APD – “AMVP Approach”

Inland Marine form

- Switch the word “Automobile” for “Covered Property”
 - *No* distinction between Automobiles and Mobile *or* Contractor’s Equipment
 - ALL are covered in the form
 - Exclusions: Aircraft, watercraft, buildings or land
- *No* distinction between “Comp” and “Collision”
 - Vehicles are Covered Property subject to Risks of Direct Physical Loss from any external cause not otherwise excluded

Vehicles While On Insured Premises – APIP

AKA “Yard” Coverage

15. VEHICLES WHILE ON INSURED PREMISES

This policy is extended to cover vehicles while on premises of the Insured against physical loss or damage by a peril insured against during the term of this Policy.

This is traditionally known as “Yard” coverage, intended primarily to *cover a fleet of vehicles while parked in a lot as if* they were real property. “All risk” deductible applies **UNLESS** insured has purchased “Off Premises” coverage in which case the Vehicle deductible applies.

Vehicles While Off Premises – APIP

AKA “Road” Coverage

F. OPTIONAL COVERAGE PARTICIPATION

It is understood and agreed that certain Insureds participate in Optional Coverage on this Policy as set forth below.

OPTIONAL COVERAGES IDENTIFICATION:

1. Earthquake Shock
2. **Licensed Vehicles – Off Premises**
3. Scheduled Fine Arts
4. Flood
5. Boiler Explosion & Machinery Breakdown

➤ ***NOTE: You must specifically purchase off premise coverage if you want it***

Vehicles On or Off Insured Premises - AMVP

- No restriction on location of vehicles as long as within the Coverage Territory:

Coverage Territory

- **(1)** We cover property wherever located within:
 - **(a)** The United States of America;
 - **(b)** The District of Columbia;
 - **(c)** Puerto Rico; and
 - **(d)** Canada

Automatic Acquisition Feature - APIP

19. AUTOMATIC ACQUISITION AND REPORTING CONDITIONS

This Policy is automatically extended to insure additional property and/or interests as described in this Policy, which may be acquired or otherwise become at the risk of the Insured, during the Policy Term, within the United States of America **for a period of up to 90 days for licensed vehicles**, a limit of \$10,000,000 applies or member's Policy Limit of Liability if less than \$10,000,000.

➤ ***NOTE: After 90 days, if not reported, there is no coverage for the acquisition.***

Automatic Acquisition Feature - AMVP

AUTOMATIC ACQUISITION AND REPORTING CONDITIONS

- If during the policy period you acquire additional property of a type already covered by this form, we will cover such property for **up to 45 days**, but not beyond the end of the policy period. The most we will pay for loss or damage is \$250,000.

➤ ***NOTE: After 45 days or end of policy period, if not reported, there is no coverage for the acquisition.***

Deductibles – AIP Major Change for 21/22

- \$25,000 “All Risk” Deductible – applies to vehicles

Except

- \$50,000 for police vehicles with RCV under \$250,000
- \$100,000 for All Vehicles with RCV of \$250,000 to \$750,000;
- \$250,000 for All Vehicles with RCV in Excess of \$750,000.

- \$5,000 Per Occurrence for Contractor's Equipment.

- **AMVP – choice of deductibles - \$1k, \$2k, \$5k, \$10k**

Vehicle Coverage - Earthquake Shock & Flood

APIP

- **\$5,000,000 Per Occurrence** Per Named Insured subject to an **Annual Aggregate of \$10,000,000 for Earthquake Shock** on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage
- **\$5,000,000 Per Occurrence** Per Named Insured subject to an **Annual Aggregate of \$10,000,000 for Flood** on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage

AMVP

- Member selected deductible Options (\$1k, \$2k, \$5k, \$10k) for:
 - Earth Movement
 - Water
 - Named Storm
- **No sublimit**

AMVP – Actual Cash Value (ACV) Definition

1. In all coverage forms, Actual Cash Value, if applicable, is amended to include the following:

a. The actual cash value of covered property will be determined as:

1) the amount it would cost to repair, rebuild, or replace the lost, damaged, or destroyed property less a fair and reasonable deduction for physical depreciation; or

2) the limit applicable to that property at the time of the loss;

whichever is less.

b. The condition of the property at the time of the loss is the basis for determining the amount of physical depreciation. The expense of labor necessary to repair, rebuild, or replace covered property is not a component of physical depreciation.

c. a. and b. above do not apply to property subject to Agreed Amount valuation terms or an item of property specifically scheduled with a value applicable to such item.

APIP Vehicle Valuation

- Where Replacement Cost (New) values are specified, recovery shall be based on 100% of the Replacement Cost (New) at the time of loss.
- Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value (also known as Actual Cash Value or ACV) of the Vehicle and/or Equipment. However, should these costs exceed the fair market value (ACV) then recovery shall be based upon the Replacement Cost (New).
- If the Insured provides a valuation based on replacement cost, then recovery will be on the same basis, if replaced. **If not replaced, the basis of recovery shall be Actual Cash Value (ACV).**

➤ ***NOTE: Your vehicle schedule needs to reflect member preference between ACV and RCV values***

AMVP Vehicle Valuation

a. **The value of each item of property that is individually listed** and described in the Declarations is the applicable Limit of Insurance shown in the Declarations for that item.

b. The value of all Covered Property, including newly acquired property, will be the least of the following amounts:

(1) **The cost of reasonably restoring that property** to its condition immediately before loss; or

(2) **The cost of replacing that property** with substantially identical property; or

(3) **The limit of Insurance** indicated in the schedule for the property lost or damaged **up to a maximum of 120% of the scheduled item;** or

Full Replacement cost for property three years of age or newer.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage

Selecting Appropriate Valuation

In APIP the basis for reporting values will also be the basis for loss recovery in the event of a claim. You may choose either Replacement Value (R) or Actual Value (A).

- Replacement Value will be replacement with new for old.
- Actual Cash Value will be valuation based on value of auto at time of loss with the same model, year and of like kind and quality.

Type of Vehicle	Number of Vehicles	Suggested Replacement Value	Suggested Actual Cash Value	Total Insurable Values
Private Passenger Cars		\$26,054	\$13,200	
Light Trucks (1 ton or less)		\$30,397	\$15,400	
Heavy Trucks (over 1 ton)		\$37,996	\$19,250	
Police Cars		\$30,397	\$15,400	
Police Motorcycles		\$17,370	\$8,800	
Fire Pumper Trucks		\$423,385	\$214,500	
Fire Snorkel/Ladder Trucks		\$868,482	\$440,000	
Fire Brush Trucks		\$260,545	\$132,000	
Buses – 30 Passenger		\$162,840	\$82,500	
Buses – 60 Passenger		\$352,821	\$178,750	
Other (describe i.e. Mobile equipment)				

VALUATION: RC ACV

GRAND TOTAL: _____

➤ **NOTE: the AMVP Program only offers Replacement Cost for the first 3 years.**

Acceptable Vehicles in Both Programs

Fire Department

- Fire trucks
- Ambulances/rescue vehicles
- Mobile emergency command post
- Hazardous materials vehicles/equipment

Sewer/Water Department

- Sewer vacuums and rodders
- Crane/lift vehicles

Public Works

- Crane/lift vehicles
- Dump trucks
- Sweepers
- Mobile equipment
- Generators/compressors
- Graders/rollers
- Backhoes/loaders

➤ **AMVP PROGRAM NOTE: Transit district and school district buses are not eligible for the program**

Cover a High-Value Vehicle in Both Programs?

Example – Fire Truck with ACV of \$150,000 & RC of \$400,000

APIP

- Insure at RC of \$400,000
- Deductible = \$100,000
- Use APIP to replace high-value vehicles in case of major/total loss.

AMVP

- Insure at ACV or \$150,000
 - *Or at \$100,000 APIP deductible*
- Deductible of \$1K to \$5K
- For smaller accidents you get truck repaired at lower deductible

Use AMVP as a deductible buy down for major/ total loss

Summary of Programs

APIP

- Deductible Options **Limited**
 - \$25k or \$50k+ for police, high-values
- Acquisition Period
 - 90 days, \$10m
- Valuation Options
 - Member choice of ACV or RC (must be selected by member at renewal)
- Rental Car after covered loss
 - No Sublimit
- Pollutant Cleanup
 - \$2mil, \$75K SIR, \$25mil Aggregate
 - Report within 7 days
- Flood/Earthquake Option
 - Sublimit \$5m with \$10m Aggregate

AMVP

- Deductible Options
 - \$1k, \$2k, \$5k, \$10k
- Acquisition Period
 - 45 days, \$250k
- Valuation Options
 - RC on Vehicles up to 3 years old
 - ACV for all others
- Rental Car after covered loss
 - Up to \$10,000
- Pollutant Cleanup
 - \$10k, must be reported within 180 days
- Flood/Earthquake Included

Questions?

