

# Auto physical damage replacement cost coverage threshold increased to \$50k

By Rob Roscoe

In 1998 WCIA offered the membership the option to select “*Replacement Cost Coverage*” for vehicles valued at or above \$25,000 and scheduled with the replacement (brand new) value. WCIA’s intent in offering replacement cost coverage in the program was to cover the membership’s high value fleet. The \$25,000 threshold, at the time, represented the cost to replace and equip a totaled patrol car. In 2020, the cost to replace and equip a patrol car has risen closer to \$65,000 - \$85,000 depending on the model and equipment options. Beginning January 1, 2021 WCIA has increased the vehicle eligibility requirement from the current \$25,000 threshold to \$50,000. All vehicles scheduled below \$50,000 will only receive the **Actual Cash Value (ACV)** should they sustain a total loss claim. In 2021, to qualify for Replacement Cost Coverage vehicles will have to 1) Meet the minimum threshold requirement of \$50,000; and 2) Be scheduled with the cost of a brand-new vehicle and its attached equipment.

Members that currently have vehicles scheduled with Replacement Cost Coverage and are valued below \$50,000 should go into Origami now and reduce the vehicle value to reflect today’s Actual Cash Value and mark the vehicle as “No” for Replacement Cost Coverage. There are third-party internet websites available ([www.kbb.com](http://www.kbb.com), [www.edmunds.com](http://www.edmunds.com), [www.nada.com](http://www.nada.com)) if you need to research your vehicle’s actual cash value given its age, condition, mileage, etc. Members will want to make these changes **before December 2020**, when WCIA calculates values for invoicing, so you will not be paying your 2021 Auto Physical Damage assessment off of the higher auto valuations. WCIA has a record in Origami of all changes made and will continue to honor your original choice of Replacement Cost Coverage through the remainder of 2020. Again, if you make the changes now in 2020 you will still have Replacement Cost Coverage through the end of the year, and you avoid paying the higher assessment in 2021 by lowering your vehicles valuation.

In 2021, WCIA will remove Replacement Cost Coverage for any vehicle valued below \$50,000 and Origami will prevent you from adding any future vehicles valued below \$50,000 for Replacement Cost Coverage.

Thank you for your assistance with this matter and as always if you have any questions regarding the program please call Rob Roscoe or Tiffany Woods at WCIA.