IAT Insurance Group
Transportation

The value of new and used vehicles has dramatically increased over the past year. Have your customers recently reviewed their stated value policies to keep up with these changes? Now's the time to connect with them to **evaluate coverage limits and encourage adjustments to policies to ensure they're made whole in the event of an accident**.

The U.S. economy is seeing inflation rates at levels not seen since the early 1980s. The US Bureau of Labor Statistics recently reported that from January 2021 through January 2022, used car and truck prices have increased by approximately 41%. Limited inventory, supply chain strains on parts, labor cost spikes, and reduced availability of repair shop facilities have continued to drive up these values. Due to this increased inflation, the cost of repairing or replacing a vehicle may exceed the stated amount coverage limit on the policy.

We have seen a significant increase in claims with inadequate stated amount limits. A recent example was a total loss claim involving a customer's 2017 Volvo Tractor with 501K miles and an ACV of $109,194. Since the customer's policy limit contained a stated value amount of $57,000 after applying the $1,000 deductible, the customer only received a check for $56,000. Based on the increased value of vehicles today, the stated amount on the policy was insufficient and **did not cover** the cost to replace their vehicle.

These unprecedented market increases have caused several customers to be in this predicament, with claims professionals challenged to adjust to the differences. Unfortunately, this has resulted in less than favorable customer experience and out-of-pocket strains for the insured when they go to replace their vehicle.

We, like you, are committed to protecting the people and businesses that keep America moving. We encourage you to connect with your customers today to ensure they're appropriately covered in the event of an accident. Having adequate stated amount limits will result in greater customer satisfaction, fully compensate them for the value of the vehicle in the event of a loss, and most importantly help get trucks back on the road as quickly as possible.

Please contact your agent to discuss any needed changes to policies.