

Replacement Cost Coverage For School Buses

Indiana Insurance™ recently introduced an available optional coverage enhancement to our auto policies covering school buses. This option effectively changes the maximum limit payable under a physical damage claim (comprehensive and collision) from Actual Cash Value (ACV) to Replacement Cost (RC). This is a valuable coverage enhancement in the event of a total loss to a school bus.

Automobile Physical Damage coverage is typically provided on an ACV basis. This valuation supports a basic principle of insurance—to put the insured back in the same financial condition they were in prior to a loss. Since most losses are partial losses, ACV valuation is adequate as most vehicles can be repaired and returned to service.

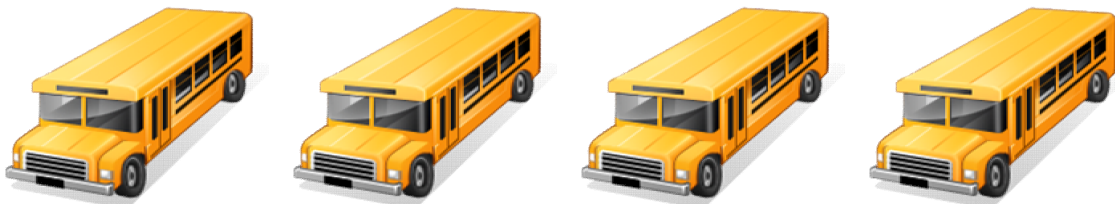
In the event of a total loss, however, the insured may find a gap between the ACV and the cost to replace a bus. While traditional Auto Physical Damage coverage would pay the ACV of a totaled school bus, it would be up to the school district to come up with the additional funds to replace that bus with a new unit. Some school districts may be able to plan and budget for that additional cost. Others may not. Many school districts would suffer financial hardship if multiple buses were destroyed by some catastrophic event, such as a tornado ripping through the bus parking lot.

To provide schools with improved protection in the event of a total loss of school buses, Indiana Insurance has developed two new coverage forms:

- **Replacement Cost Coverage for School Buses**—Provides RC coverage on a full-time basis while buses are being operated or while parked.
- **Replacement Cost Coverage for School Buses at Specified Garaging Locations**—Provides RC coverage while buses not being operated and are parked at specified garaging locations.

Under these two coverage forms, the most we will pay in the event of a total loss is the cost to replace a school bus, not the ACV. Deductibles apply and replacement cost coverage will typically be available only for buses up to a specified age. Coverage is available for buses owned by a school district or operated under a long-term lease.

For more information, or for a quote for this coverage, please see a professional independent agent representing Indiana Insurance.



For more information, please visit: www.mysaferschool.com

This document is only a brief summary of the coverage provided. Nothing contained herein modifies or amends any policy form. Please see an actual policy form for complete details, exclusions, limitations, and conditions.