

NISSAN FIGARO INSURANCE

I'm certainly no expert on car insurance so if you're looking for the best insurance for your Figaro – I'm no help at all! However I can tell you about some of the insurance related issues of the Figaro where you need to be wary and which could cost you significant money!

Car insurance is a personal thing and both the premium and the policy conditions depend on a number of factors. The many insurance comparison sites make shopping around a little easier and many companies now have the Figaro on their database. I certainly don't advocate dishonesty in applying for insurance – this could cost you dearly in the long run! However – it may benefit you to explore the sensitivity of some of the data you input e.g. quoting an annual mileage of 11500 may give a far cheaper quote than 12000miles.

Did you know?

Adding a named driver to your policy often increases the premium - but if you're a young / inexperienced driver, then adding an older driver can actually reduce the premium by 10 – 15%

There are two aspects of insurance that come up with regularity in terms of the Nissan Figaro.....

UNDER-VALUATION

There is a major problem with insuring a Nissan Figaro - in general, insurance companies undervalue the car. In the event of total accident loss or theft of the vehicle – you're entitled to the replacement / market value of the car. For most cars – valuation is pretty straightforward – they're covered in trade publications such as Glass Guide. It's not so easy with grey imports such as the Figaro – they're not included in price guides and insurance companies will not share background data on their valuations.

Under-valuation could affect you in two ways:

- If the car was a total loss following an accident or was stolen – the settlement may fall well short of expectations and may be very significantly less than you paid for the car.
- Insurance companies declare a total loss (write-off) based on the repair cost as a percentage of the value of the car – this can vary between 50 and 70% depending on the insurance company. Under-

valuing the car increases the chances of it being written-off in an accident.

When you complete an insurance proposal you're often asked to state the value of the car. Does this mean that in the event of a total loss – you'll receive this amount? ***Absolutely not*** – you'll get the replacement / market value of the car at the time of loss!

I'm aware of many cases where Figaro owners have had very poor settlements even after engaging the Ombudsmen. In some cases there has been a shortfall of around £2000 between the eventual settlement and the purchase price of the car!

In general – the more you pay for your Figaro – the more money you'll potentially lose if the car is declared a total loss!! Insurance companies seem to have an upper ceiling value for a Figaro of less than £6K!

Obviously, it's preferable if you're not involved in an accident and your Figaro is not stolen – but such factors may well be outside your control.

How can you therefore protect yourself against a low insurance settlement if your Figaro is badly damaged or stolen?

You can protect yourself with an insurance policy known as an Agreed Valuation Policy. This is a very common type of policy in classic car circles and, essentially, guarantees the settlement value if your car is written-off or stolen. Mainline insurance companies don't often deal in Agreed Valuation Policies – generally you'll need to go to a specialist insurance company. The good news is that an Agreed Valuation Policy for the Figaro is often no more expensive than a standard policy. There are several specialist insurance companies who will deal with the Figaro – many owners have their Figaros insured through Footman James or Classic Line.

Quite simply, at the outset of the policy – the value of the Figaro is agreed with the insurance company. Most companies will accept your own valuation of the car and will require some photos – there's no need for any sort of professional valuation and it's a very simple process. In the event of a total loss – you'd receive the agreed value in settlement (less any policy excesses)

Don't be tempted to over declare the value of the car – insurance companies carefully scrutinise agreed valuation insurance claims and will withhold payment if the agreed valuation cannot be substantiated or the car condition is significantly different to that declared to the insurance company.

There is no evidence that Figaros appreciate in value, so the basis of agreed valuation should be the price you paid for the car – it's indisputable. It's legitimate to add on post purchase costs - so if you fit a Clarion upgrade, replace the roof, fit new tyres etc shortly after purchase – then add these costs to the purchase price. You should review the valuation from time to time but it wouldn't be legitimate to add ongoing maintenance costs to the value of the car!

UNJUSTIFIED WRITE-OFF

Estimation of accident repair costs is a fairly automated procedure for most cars. The repairer inputs the car registration so that replacement parts are automatically priced from the manufacturers' catalogue. The detail of the damage is inputted and a computer programme calculates repair times and cost of sundry materials. All very clever stuff - but alas – not for the Figaro!

The end result is that many Figaros are written-off as a Category D. Essentially this means that repair may well be economically viable but the insurance company has declared the car a write-off based on non-availability of parts, or that parts cannot be sourced in a reasonable timescale. In other words – repairers just can't be bothered if things are not straightforward and insurance companies tend to rely on the word of their approved repairers.

In other cases, repairers build in a lot of contingency into their repair estimate – they're simply unfamiliar with the car and err on the pessimistic side. Overestimating can take repair costs over the total loss threshold so the car may be written off by default!

In reality – there's no serious issue with parts availability and it should be possible to accurately estimate repair costs!

If you feel that your Figaro is being unjustifiably written off - then protest to the insurance company! Seek advice from specialist Figaro dealers or owners clubs! If possible – speak to the insurance company assessor! However, even though you're very fond of your Figaro – there will, in the

majority of cases, be perfectly sound reasons for writing-off your car. In such cases the blow will often be softened by having Agreed Valuation Insurance!

Now for something your insurance company would hate you to know about

If you saw two identical cars standing side by side – would one be less desirable than the other? It may be that one has suffered accident damage at one time. The damage may have been repaired to the highest standards – there may be virtually no evidence of repair but if you were aware of the facts then I'm sure you'd see the non-accident repaired car as the more desirable!

In the insurance world – there are two terms that you'll rarely hear "Diminished Value" or "Diminution of Value". Essentially this is the reduction in value of a vehicle as a result of accident repair. The courts have ruled that it isn't necessary to sell the car – Diminished Value occurs at the time a vehicle is repaired. A Diminished Value payment of 10% of the value of a car isn't unusual. Claims for Diminished Value are far more common than you might imagine – trouble is that it's something that insurance companies like to keep quiet.

Generally Diminished Values are applicable to newer vehicles but if you have a nice, original Figaro and through no fault of your own – your pride and joy is accident damaged – consider a claim for Diminished Value even though your car is restored to its former glory. If you have "uninsured loss cover" as part of your insurance – the administrators of this cover will pursue your claim for Diminished Value.