



*A message for SDIS Property/Casualty Auto Physical Damage Program participants that carry Comprehensive and Collision Coverage*

Following an auto accident, the purpose of Auto Physical Damage Coverage is to try to get our members back to normal as soon as possible. Accurately listing the values of vehicles will help expedite the process and get the most benefit.

The SDIS Trust provides coverage for vehicles listed on the auto schedule at Functional Replacement Cost or Replacement Cost. In order to properly value a vehicle, the district must understand the difference between these valuations and how each will respond in the event of a loss. Below is a table to help you understand the differences between the coverages each type of valuation provides.

	Replacement Cost	Functional Replacement Cost
<b>Covered Auto is in Need of Repair</b>	Pays the cost to repair the damaged Covered Auto without deduction for depreciation.	Pays the cost to repair the damaged Covered Auto without deduction for depreciation.
<b>Covered Auto is a Total Loss</b>	Provides a comparable new auto of equal quality and usefulness.	Provides a comparable used auto with the same functional use and of like kind and quality.
<b>Eligibility Requirements for Covered Auto</b>	Vehicles <b>less than</b> seven years old or <b>less than</b> fifteen years old for Emergency Services Vehicles are eligible.	Vehicles <b>over</b> seven years old or <b>over</b> fifteen years old for Emergency Services Vehicles are eligible.
<b>Example</b>	\$20,000 Covered Auto value Recommended Limits: Set at the cost of a comparable <b>new</b> vehicle such as \$25,000.	\$10,000 Covered Auto value Recommended Limits: Set at the cost of a comparable <b>used</b> vehicle such as \$10,000.

In both cases, the most the Trust will pay for a loss to a covered auto in any one accident is the least of these three options: (1) The cost to repair the damaged Covered Auto, (2) the cost to replace the entire Covered Auto, or (3) the value listed on the schedule for a Covered Auto.

There are significant differences between Functional Replacement and Replacement Cost valuation. Members should annually review their auto values with their agent. An accurate assessment of a vehicle's value compared to the available coverage can save the member unnecessary premium and speed up the claims process by preventing unexpected surprises.