



How do I get a valuation for my agreed value insurance policy renewal?

With rising classic car values over the last 18 to 24 months, many MG V8 enthusiasts are prudently checking the agreed value they have on their classic car policy to ensure they are not under-insured. Up to modest values many insurers have been prepared to accept self-valuations from the policyholder supported by a set of photos. Several members have been in touch recently enquiring whether the V8 Register is able to provide valuations with one member saying "I am changing my classic car insurance and need an independent valuation for the MGBGT V8. Can the V8 Register provide that? Some classic car clubs do valuations for their members and make a small charge for providing a written valuation report. The valuation needs to be an official looking document which I can send on to the insurer. In the past I have not had to do this because I have valued it less than £15,000, but the new insurer requires it".

Buoyant classic car market

The rising prices have been driven in large measure by "alternative investment" activity where investors are seeking better and safer places for some of their funds because of the international economic uncertainties for shares on stockmarkets and meagre deposit interest rates. The volume of investment funds has been increased by pension release measures in the UK. The classic car

market has attracted both classic car enthusiasts as knowledgeable buyers and also more casual investors in the sense they have far less knowledge of various models or an awareness of how to buy a classic car. The net effect is the market has been active and prices have been rising with the effect extending to the mainstream classics like the sportscars of the 60s and 70s and also hatchbacks and sports saloons of the 70s and 80s. The popular weekly newspaper, Classic Car Buyer, has reported both the rising prices and an increase in classic car thefts.

So faced with rising classic car prices and the increased risk of theft, many enthusiasts are realising how essential it is to check the agreed value in their insurance policy to ensure they are not under-insured. A leading insurer Hagerty has launched a [price guide](#) for classic cars.

What form of valuation do classic car insurers require?

For mainstream classic cars like an MGB and MG V8 most insurers offering limited mileage agreed value policies had accepted self-valuations supported by a set of photos of the car when taking out or renewing a classic car insurance policy. A few had required a written valuation from a specialist based on a physical inspection of the vehicle.

Now with many MG V8s valued at over £15,000 it seems many of the leading insurers operating in a competitive marketplace are developing their valuations

systems using a detailed set of photos accompanying the insured's application with a self-valuation and then the insurer has an in-house expert who checks the photos and values proposed by the insured.

Adrian Flux for example says "when applying for an agreed value policy it is important to include high quality photos to ensure we can process the application quickly. At Adrian Flux we know it's important for drivers to get the real, current value for their car should they have an accident. Your photos help us to assess the vehicle's condition and make sure you get the right value if anything happens. As part of any agreed value policy we will need to see high quality photos of your vehicle. The work and care that people put into cars can often save them from depreciation, and sometimes actually increase the value of a car. Having photos of your car ensures that any modifications or customisations are documented, meaning we can give you an accurate value for your vehicle". They then explain how to take a good quality and comprehensive set of photos. You can see their [agreed value advice online](#).

Does the V8 Register provide a valuation service?

As a matter of policy the V8 Register has not offered an MG V8 valuation service for its members or other enthusiasts. The reasoning is a classic car valuation is a serious document forming part of an owner's insurance contract with the insurer. Our concern is that if the valuation is put to a test following a serious claim, then the qualifications of the valuer could become an issue investigated by the insurer or his assessor, notwithstanding the insurer had accepted the valuation provided by a valuation document for the agreed value part of an agreed value policy. To be able to value a particular classic car model you need a close knowledge of the market and market values and a good knowledge of the model and the condition classes. You also need to make a physical inspection.

Pricewatch following MG V8 market and price trends?

In 2015 the V8 Register launched a [Pricewatch](#) series with the support of two V8 members, **Andy Goves** and **Keith Belcher**, who have a close interest in following MG V8 adverts and auctions. Auction results are clear enough and our two Pricewatch logs try and record the prices paid by buyers from the auction results they have seen but determining the results of cars sold via adverts or in traders' showrooms is not easy

at all. The asking prices are known but rarely the price paid.

Earlier another member **Adam Fiander** did our first MGBGTV8 [price guide](#) based on his research which we have updated several times. Another member did an RV8 price guide which set out prices taking account of the colour (Woodcote Green or the rarer "other colours") and UK and Japan spec, something the basic valuations seen in most classic car publications cannot include, and of course condition.

A key feature is the Condition class - **Exceptional, 1, 2 and 3** – and the substantial price differential between Conditions 1 and 2. Many owners selling (or wanting a valuation) of a good Condition 2 car naturally feel it should be close to a **Condition 2 plus** price if not on the **Condition 1** price! The fact is Condition class can only be determined by a close inspection of the vehicle and by someone who has a good knowledge of the features on the car that affect "condition". So at the very least they need to have direct experience of both maintaining the vehicle and of restoration so they can detect when corrosion is there but not immediately evident, because the cost of restoration is considerable. To get a Condition 2 car up to Condition 1 class can involve considerable expenditure, often in excess of the condition class differential.

Enthusiasts often seek a valuation from their club on the basis of a set of photos but without a close inspection by a knowledgeable person the valuation they provide is clearly doubtful. If a club does feel able to provide a valuation service for its members and recognises the **need for a physical inspection**, then the effort and costs of making the inspection prior to a valuation are considerable. Valuations made using only photos are not a satisfactory alternative. I understand that some organisations have provided valuations on the basis of photos but that raises considerable concern over the validity of the valuations provided.

Where to get an insurance valuation?

The V8 Register recommends that members who need a valuation for agreed value insurance purposes should **obtain a valuation from a reputable MG service provider who has a good knowledge of both the market and model and can provide an inspection and valuation service**. The valuation on their headed paper will state a physical inspection has been made prior to the valuation, noting the condition class of the vehicle and any features supporting their assessment and

then providing the current valuation of the car. When valuing a good MGBGTV8 conversion there is the added complexity of valuing a non-Factory V8 and that will need considerable knowledge of the modified features of the conversion and the market.

How to take a set of photos for insurance purposes

Where an insurer requires a set of photos it is wise to take a fresh set of photos of your car each year shortly before the renewal of the insurance cover. A photo from each corner, each side, engine bay, back of the car (with tailgate raised) and internal shots of the trim are necessary.

With MGV8 values rising as they have over the last 12 to 18 months, the insurers' requirements for valuations will vary – some will require a formal valuation from a reputable third party but it seems many insurers recognise the inconvenience and expense of arranging a physical inspection for a valuation is a burden that can make their classic car insurance policies less attractive in the market, so most are developing valuation systems based on an owner sending in a good quality set of photos which are examined by their in-house classic car valuation "expert". Clearly the experts possess mystical skills!

Agreeing a valuation on the basis of a set of photos seems to be an inevitable development. But take care as some online information on the photo based valuations do add a caution that in the event of a claim their assessor may check the condition and hence the value were reasonable, hinting adjustments to payouts may follow where



the evidence from a physical inspection does not fully support the "agreed valuation".

Beware the scrappage buy back surprise

Hopefully our Pricewatch series on market information and the news items on the price trends seen in the market will alert fellow members to the need to **avoid under-insuring their MGV8**. When an insurer accepts an "agreed value" that is usually the **market value** of the car. There is also the reinstatement value including the cost of repairing a classic car with substantial damage to its previous condition. That cost can very easily exceed the agreed value in the policy. Where the cost of repair exceeds the agreed market value then there are real concerns the insurer, on paying out the full value in the policy, may then declare the car a write off and then claim the ownership of the scrap, inviting the policyholder to buy it back! Many policyholders may not be aware of that condition. On that basis the **policyholder could end up with a net payout of less than the insured amount!** So do read the policy document with great care!

