

You've probably heard it before; your brand new car drops about 20% in value the minute you drive it off the lot. Let's face it, the first few miles you drive a new car are certainly the most expensive on a cost per mile basis. And if you borrow money to purchase the new car, you are even more vulnerable. A [standard NC auto insurance policy](#) will not protect you completely, but there is a way to cover yourself more fully.

I'm talking about replacement cost coverage on your new car. You may be familiar with this concept in terms of [home insurance](#). If your house is burglarized and they steal your television set, if you have replacement cost coverage on your contents, then your insurance company will pay to replace your old TV set with a new one. But if your new car is totaled on the way home from the lot, without replacement cost coverage on your car (and most people do not have this protection), then you are paid the used car value of that car at the moment before it was lost. And this won't be enough money to replace that car with another new one. This seems unfair and I can tell you, to most people who find themselves in this situation, it is unexpected.

Good news though, there is a simple solution. Most insurance companies can offer you replacement cost coverage on your new car. This means that if your car is totaled in an accident, the insurance company will pay for you to replace your vehicle with a brand new one of the same make and model. This is true even if the car is up to 5 years old.

Ok, you probably want to know what the catch is. And there are catches. First of all, this coverage will not apply to total loss by theft.

And the insurance company will typically delete this coverage from your car after it gets to be about 5 years old.

And, you must add this coverage within a short time of purchasing the vehicle brand new.

Usually that time frame is 60 to 90 days.

Last of all, you have pay for this additional coverage.

The cost is usually around 15% more for your comprehensive and collision coverages.

If you are thinking about purchasing a new car, I would suggest that you seriously consider adding replacement cost coverage to that car on your [North Carolina auto insurance policy](#) . At [Clinard Insurance Group in Winston Salem, NC](#)

, we have several insurance companies who offer this feature.

If you have any questions about replacement cost coverage on your [car insurance](#)

, or if you would like a free auto insurance analysis and quote, please feel free to call us, toll free at 877-687-7557 or visit us on the web at

<http://www.ClinardInsurance.com>

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