Classic car insurance provides specialized coverage for collector vehicles, usually based on an agreed value (a fixed, mutually agreed-upon worth) rather than depreciated cash value. Policies offer comprehensive coverage with lower premiums, designed for limited-use vehicles typically stored in private garages. It covers classic, vintage, and exotic cars 25+ years old, often covering full restoration costs.

Key Aspects of Classic Car Insurance

- Agreed Value Coverage: You and the insurer agree on the car's value, which is paid out in a total loss, minus any deductible, regardless of market depreciation.
- Lower Premiums: Because these vehicles are driven less, insureds often enjoy lower premiums than standard insurance, despite having high-value coverage.
- Usage Restrictions: Policies generally require that the vehicle is not used for daily transportation or business, with restrictions on annual mileage.
- Storage Requirements: Vehicles must usually be stored securely, such as in a private, enclosed garage, as noted by GEICO and Higginbotham.
- Restoration Coverage: Special coverage is available for cars under restoration, ensuring the policy covers the rising value of the vehicle as it is improved, says LA Insurance.

Typical Eligibility Requirements

- Vehicle Age/Condition: Vehicles are generally 25+ years old, though some insurers accept newer specialty vehicles. They must be in good condition or undergoing active restoration.
- Driving Record: Owners often need a clean driving record with limited at-fault accidents or moving violations, notes Austin Insurance.
- Usage: The car should be used primarily for exhibitions, club activities, or pleasure driving, not daily commuting.

Common Coverage Types

- Liability Coverage: Protects against damages/injuries you cause.
- Comprehensive & Collision: Covers theft, fire, and vandalism.
- Specialized Parts Coverage: Covers original, often rare parts.
- No-Deductible Options: Some policies offer competitive deductible choices.

It is highly recommended to seek an "agreed value" policy rather than "stated value," as "stated value" can pay the lesser of the stated amount or the actual cash value.