

AVERY FIRE ASSOCIATION
March 18th - Gwaltney Station

President Scott Stansbury called the meeting to order. Crossnore, Frank, Forestry and the Fire Marshal's office were not represented. Kennie McFee moved that the February minutes be approved as presented. Bob Pudney seconded the motion and it passed. There was no treasurer's report.

Bobby Powell reported for Mayland in Melissa's absence. He, Brian Bodford and Bob Garland had met with Melissa. He said that departments must get their members to support the academy classes because Mayland can not run the needed classes at each department. This is the last year to get standard classes before they are all changed.

Bob Pudney reported from the Chief's Committee that Fall Creek was in dire straits and that the Chiefs want the Fire Commission's support for them. Mike Richardson said that if they would continue the monthly money, he thought they could get by. He also noted that he needed turnout gear for new members. Newland, Beech and others agreed to loan gear. Bob told members that they need to attend the next Fire Commission meeting to argue for: fully funding the state grant, maintaining truck insurance coverage amounts, and Fall Creek's continued funding. A motion was made to make that request and it passed unanimously.

It was reported that the Newland Tower had been ordered and that it would be installed when the weather breaks.

It was also reported that Dale Laws was filling in since Joe Shoupe retired and that the job had been posted. Joe will be honored at the next meeting for his service.

Members were made aware of the losses that the Crossnore department and Community had suffered and were asked to keep them in our prayers.

Scott Stansbury asked Mark Taylor to see if he could get the recovery company to attend the next meeting to explain their program.

It was noted that Watauga County uses part of their special option sales tax money to pay each department a stipend each year.

Scott Stansbury explained to the membership that the Linville Training facility would require a lease with the Linville Department. Mark Taylor said that it must be a 40 or 50 year lease and that if his department was dissolved that the property would revert back to Linville Resort. Scott asked members to think about the lease requirements.

Scott brought up the fact that the Association Secretary had not been attending meetings. Bob Garland explained that he was nursing a new baby and interviewing for a new job in Asheville. He agreed to talk with Rob and report back at the next meeting.

P&C Renewal Questionnaire

Insured Name: LEDGER FIRE DEPARTMENT, INC
C04841

Assigning an Agreed Value to Your Vehicles

What would you likely do if your emergency vehicle was damaged beyond repair?

Deciding on an appropriate agreed value for each of your emergency vehicles is not an easy task, but it is an important one. Below are some tips you may find useful. But first, let's briefly review the coverage provided by VFIS' agreed value endorsement (AU1002).

In the event of a loss to a covered vehicle, we'll pay the least of the following:

1. the cost to repair the damaged property;
2. the cost to replace a part or parts of the damaged property with a part or parts of like kind and quality, without deduction for depreciation;
3. the cost to replace the entire covered auto and its permanently attached equipment with a comparable new auto and permanently attached equipment manufactured to current standards; or
4. the agreed value stated in your policy declarations as applicable to the damaged or stolen property.

As you can see, you will never receive more than the agreed value you have chosen.

Your first step is to estimate, for each vehicle, both its actual cash value (market value) and what it would **cost today to replace it with a new vehicle designed, as closely as possible, with the same specifications.** (Keep in mind that you should include permanently attached equipment in these values.) The agreed value you eventually select should be somewhere within this range. Why?

If the agreed value is less than the actual cash value of the vehicle, our agreed value coverage could actually penalize you in the event of a loss. You may be better off with the actual cash value coverage that's common in the insurance industry. On the other hand, if the agreed value you select is more than the replacement value of the vehicle, you would be paying premium for an amount of coverage you would never be able to collect. As stated above, the policy will never pay more than the replacement cost or the agreed value, whichever is less.

Some considerations you should make when determining a lower boundary include age of vehicle, general condition, how it is equipped, and how easy it would be to replace.

So you've set the lower and upper boundaries. Within that range, what agreed value is right for your organization? The answer depends on what you would likely do if the vehicle was damaged beyond repair.

- *Would you replace it with a used vehicle of similar age in similar condition?*
If so, you should choose an agreed value close to the low end of the range.
- *Would you replace it with a used vehicle, but one that's newer or in better condition?*
If so, you should choose an agreed value at the estimated current cost of the vehicle you have in mind.
- *Would you replace it with a brand new vehicle?*
If so, you should set the agreed value at the high end of the range.
- *Would you not replace it at all?*
If that's the case, consider deleting physical damage coverage from the vehicle.

The discussion above involves payment of the agreed value limit when a vehicle is damaged beyond repair. Be aware of another consideration in choosing an agreed value limit – in the majority of accidents, the vehicle is repairable. When a high agreed value is chosen, damages from even a severe accident may not involve an agreed value limit payment. The policy provides that a vehicle is repairable if it can be repaired for up to 75% of the agreed value. High agreed value limits allow for extensive repairs, even on older vehicles with low market values.

Remember that your plans may change over time, as will the values of emergency vehicles. VFIS recommends that you and your agent go through the above thought process periodically so your agreed values will meet your needs in the event of a loss.