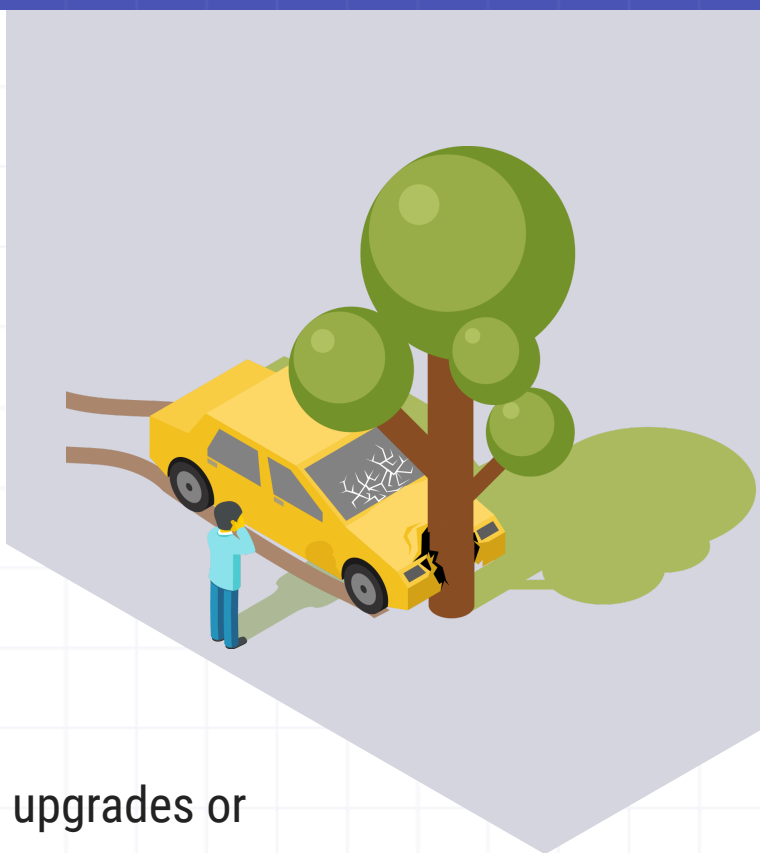


Understanding Total Loss Replacement Cost



Total loss replacement cost refers to an amount paid by an insurance company equivalent to the initial buying price of an item or cost incurred to replace it.

- This amount can be determined by a contractor/appraiser appointed by insurance agency.
- Factors considered for calculating this cost are year of making, model, mileage, physical wear & tear, and damage caused in accident.
- The calculation also includes valuable upgrades or accessories attached to the vehicle.



- Total Loss Replacement Cost is different from Actual Cash Value which is the amount that a buyer would have paid to buy the vehicle in its condition before accident.

- There is a maximum limit of amount paid by insurance agency as Total Loss Replacement Cost depending upon the insurance coverage purchased.



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