

# What is Total Loss Replacement Cost?



Total loss replacement is the amount that an insurance company pays which is equivalent to an assets current worth or its buying price.

1

Total loss occurs when the asset in question is completely destroyed, damaged or lost.

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The value of upgrades and accessories attached to a vehicle are included in the valuation.

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A contractor/appraiser/adjuster determines this amount.

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The amount to be paid by an insurance company is dependent on the type of insurance coverage.

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An insurance company also accounts for depreciation costs when calculating the value of total loss replacement.

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Other factors included when calculating the value of total replacement are model, year of making, wear and tear, company's policies, state rules and amount of damage during an accident.

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