



**TOLMAN & WIKER**  
**INSURANCE SERVICES, LLC**  
INNOVATIVE RISK ADVICE SINCE 1923™

VENTURA | LOS ANGELES | SALINAS | SANTA MARIA | BAKERSFIELD

## **Sinkhole at National Corvette Museum Claims 8 Vehicles; Possible Coverages and Risks Examined**

February, 2014

Property Casualty 360

A sinkhole collapsed within the National Corvette Museum in Bowling Green, Ky. this morning, damaging eight Corvettes, including two on loan from General Motors, the museum reports.

"We received a call at 5:44 a.m. from our security company alerting us of our motion detectors going off in our Skydome area of the museum," a statement says. "Upon arrival it was discovered that a sinkhole had collapsed within the museum."

The museum says the sinkhole is 40 feet across and 25-30 feet deep. No one was in or around the museum at the time.

The affected cars on loan from GM are:

- 1993 ZR-1 Spyder
- 2009 ZR1 "Blue Devil"

The six vehicles owned by the National Corvette Museum include:

- 1962 Black Corvette
- 1984 PPG Pace Car
- 1992 White 1 Millionth Corvette
- 1993 Ruby Red 40th Anniversary Corvette
- 2001 Mallett Hammer Z06 Corvette
- 2009 White 1.5 Millionth Corvette

The museum says it is closed to the public for the day, and a structural engineer is making assessments.

Ted Corless, an insurance-litigation attorney in Florida with the Corless Barfield Trial Group, which has dealt with many sinkhole claims, suggests the museum would be better served if a geotechnical engineer made an evaluation rather than a structural engineer.

He says the structural integrity of the building itself may be less of a concern than the state of the ground beneath it, specifically citing the risk that attempts to fix the one sinkhole could trigger others, resulting in further damage. In many cases in Florida, he says, a large sinkhole will be "the first of what will be other events."

He also says that attempting to extract the vehicles will be a "very delicate maneuver" that could result in the loss of equipment that will be used around the sinkhole.

Regarding potential coverage for the Corvettes, Corless says any payout would depend on the type of coverage and whether proper assessments had been made on the actual value of the vehicles. He also said deductibles could be considerable, noting he has seen specialty policies with deductibles up to 10%.

But Jonathan Klinger, public relations manager for Hagerty Insurance Agency, a leading provider of classic-vehicle insurance, says high deductibles are a "common myth" when it comes to classic-car insurance.

He stresses that Hagerty does not insure the National Corvette Museum, and that he does not know what coverages are involved in this particular case, but he says individual classic-car policies insured through Hagerty often have no

deductible. For commercial policies, which would be more common for a museum, there are many different deductible options,” ranging from zero up to tens of thousands of dollars.

Regarding available policies for classic cars on display in a museum, Klinger again notes that he doesn't know the particular coverages involved in this case, but says Hagerty offers museum-specific coverage for classic cars, and, whether the cars are on loan or owned, they would be covered to an agreed value, which is determined beforehand by the insured and Hagerty.

For cars on loan, such as the two in the museum that were on loan from GM, Klinger says payouts could depend on what type of coverage GM had. But a museum with coverage written through a Haggerty policy, he says, would be covered, and a decision could be made later by the insurer regarding possible subrogation.

Corless wondered if damage by sinkhole would be covered for the National Corvette Museum, saying that, in Florida, he has seen policies that include such coverage and those that would exclude it.

Klinger says that, in Hagerty's case, sinkhole damage would be included. Furthermore, he says the entire loss would be a single event, so the deductible would apply only once, versus having to pay the deductible on each vehicle.

The National Corvette Museum did not respond to requests for comment.

[Return to Article Index](#)

**Forward this article to a colleague**

Address To	<input type="text"/>	Recipient Name	<input type="text"/>
Subject	<input type="text"/>		
Message	<input type="text"/>		
<input type="button" value="Send"/>		<input type="button" value="Reset"/>	