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## Business Auto Insurance: Saving you money; Saving you time; Saving your Business

BANG! Your employee just rear ended a bus full of children while driving a rented pick up truck that was towing a company trailer with a permanently attached cherry picker. A co worker was in the truck and suffered neck injuries. The trailer broke away and destroyed a new Mercedes parked on the street as well as the trailer.

Have you ever had a commercial vehicle involved in an accident? As a business owner, are you interested in saving time and saving money in addition to limiting your liability for this type of incident? Here is a “Road Map” to help guide you through the maze of potential exposures to loss and insurance coverages.

The first place to look for coverage is your **Business Auto Policy**:

**Business Auto Policy** (BAP) uses numerical symbols on the declaration page of the policy to indicate coverage. The symbol 1 (any auto) or 8 (Hired auto only) for “**liability**” would include coverage for hire, rented or borrowed automobile third party liability. If a premium charge is shown in the premium column on the same line, the policy provides coverage for that line item. The property damage and bodily injury caused by the rented pick up truck and trailer being towed (including injuries to the children and pedestrian; damage to the bus and Mercedes) would be covered for insurance under the BAP policy.

The symbol 8 (hired autos only) under “**physical damage collision**” would afford coverage for the damage to the rented truck if a premium is indicated on that line. A rental agreement extension coverage may pay for some of the contractual obligations to the rental company such as loss of use for the truck while it is being repaired.

The employee driving the pick up truck may be sued personally for his or her negligence. Under the definition of “who is insured,” most BAP policies include employees in their definition

A “fellow employee exclusion” provision in a BAP excludes coverage that would otherwise protect the employee driving the auto from a suit brought by a fellow employee for his/her negligence resulting in injuries.

**Excess Liability Insurance** limits, above the primary BAP liability limits, can cover large awards for injuries to the children, damage to the bus, injuries to the pedestrian crossing the street, and damage to the Mercedes parked on the street.

**Workers Compensation Insurance** would be the sole remedy for the injured employee against their employer.

**Inland Marine Insurance** should be used to cover the physical damage to the cherry picker under tow and/or while it is being operated as mobile equipment, including the trailer to which it is permanently attached.

As an important aside, do you review motor vehicle reports on your drivers every year? As an employer, you are responsible to know if an employee is capable of operating the vehicle assigned to him/her in a safe manner. You can be sued for negligent entrustment of a motor vehicle to an employee who causes injury to another as a result of that entrustment. In special circumstances, you may have punitive damages assessed against your company, in addition to compensatory damages.

Automobile accidents can be very costly to your business, especially if you do not have a trusted risk management consultant to advise you. A knowledgeable insurance agent on your team can help you map out a comprehensive auto liability protection program and keep you moving in the right direction.

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