

DON'T GET CAUGHT IN A LIABILITY TRAP

Know your garage policy

Garage liability vs. garage keepers liability is an issue that causes a lot of questions from shop owners. The answers vary based on the insurance agent's experience with providing these two coverages and properly writing the coverage with an insurer who is in the space.

Garage liability insurance is a general liability policy melded with an auto policy for companies who work on, in and around motor vehicles. Like general liability, the intent is to pick up the stereotypical slip-and-fall hazards or other on premise-related exposures of a retail or wholesale operation. Coverage is also there for exposures like defamation of character, slander, or even wrongful detainment. The intent of the coverage is to stand behind the work of the shop owner should someone get hurt or something get damaged as a result of the work.

In other words, should the engine overheat, the engine wouldn't be covered, but should the paint get damaged as a result of the release of hot coolant, then the paint would be. Therefore, understanding what designations to use to properly afford the correct auto liability extension, and is critical when addressing liability actions derived by the usage of a vehicle within the garage operation.

Garage keepers liability only picks up the physical damage protection of the customer's car while in the care, custody and control of the shop owner. An example would be damage caused to a customer's car due to failing to set an emergency brake, causing it to roll down a hill and become damaged. Or, most commonly, coverage for an employee hitting something while operating the vehicle.

Although many garage keepers claims fall below a deductible and even more are taken care of by the shop owner as a cost of doing business, understanding when and how coverage is triggered is key.

To recap:

- Garage liability protects a shop owner from actions of bodily injury caused by the operation of a vehicle and extends to their work should there be consequential injury or property damage due to alleged faulty workmanship.
- Garage keepers liability merely protects the physical damage of a third-party vehicle, while it's in the shop owner's custody.

About RevPro

RevPro is a national insurance program custom built by Alliant to cover the wide-ranging risks of the automotive aftermarket industry. For more than 25 years, we have proudly serviced a broad array of industry sectors, including parts manufacturers, material suppliers, wholesale distributors, and many others. As the endorsed insurance broker of the Specialty Equipment Market Association (SEMA), you can count on Alliant's industry experts to build a powerful and cost-effective insurance program for your business. Thanks to the important SEMA member benefits offered through the RevPro business insurance program, certain coverages like product liability, product recall, Garage Liability, Garage Keepers & Auto are among the myriad of coverages automatically included automatically.

About Alliant

Alliant is the nation's largest specialty insurance brokerage firm, providing risk management, insurance, and consulting services that safeguard the physical and financial health of thousands of clients throughout the U.S.

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