

# Garage Owners Liability

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Operating a business which works on vehicles has unique liability risks which can be insured through a garage owner's policy. A garage liability policy provides protection for liability exposures in garage operations for claims from bodily injury and property damage. There are two coverages that should be considered when purchasing a policy - Garage Liability and Garage Keepers Legal Liability.

## Garage Liability

All business owners should have liability coverage. This is for slip-and-fall liability, covered under premises and operations, and products and completed operations coverage, for work performed. This covers your business for bodily injury and property damage claims caused to others as a result of your business activities. This is not a warranty of your work, but protection for damage to a customer as a result of your work. An example would be if a customer asked to have a carburetor rebuilt on their classic car and upon completion the customer calls and says the fuel line wasn't tightened and the leak caused a fire. In this circumstance, the insurance carrier would protect you for the damage to the customer's car caused by failing to tighten the fuel line.

## Garage Keepers Legal Liability

One of the most important coverages is Garage Keepers Legal Liability- GKLL. When added to a garage owner's policy it provides protection for damages caused to customers vehicles while in your care, custody or control. The best GKLL form is to make sure that Direct Primary coverage is purchased, as this is preferred.

**Direct Primary** coverage will recognize the loss regardless of whether or not your garage was legally liable for the damages. This can make adjusting the claim and satisfying the customer a win win should the need arise.