



GARAGE INSURANCE

Know your Coverage and Save Money!

As an owner of an auto service business you need special coverage tailored to protect your business & your customer's vehicles.

Here are some things you should know and ways to save money



Broad Form Products/Completed Operations: Provides coverage for damages you are found to be legally responsible for arising from the service or repair of your work or products other than as a direct result of an accident. This will provide protection for damage resulting from faulty work, i.e. the brake job you did failed and caused the buyer to have an accident.



Insure your customer's vehicle properly with Garagekeepers Liability. Choose from one of these three options.

- **Legal Liability** – coverage for damage to customer's vehicle only when it is the result of your negligence making you legally liable for the damage. This is a common form, but it is very dangerous for you. Things may happen that are not due to your negligence, but due to the vehicle being in your care the customer will expect you to pay. Some examples are: hail storm, vandalism, theft, etc.
- **Direct Excess** – coverage for damage to customer's vehicle in cases where you are legally liable or negligent. It also provides stop-gap coverage when you are not legally liable, but the customer has not collectible physical damage insurance or they have a substantial deductible.
- **Direct Primary** – coverage for damage to customer's vehicle is provided regardless of your negligence or legal liability. This is the broadest of the coverages. It may cost a little more, but is well worth it in the event of a claim that was beyond your control. Gives you the best option to provide coverage to your customer.



Garage Liability Limits – Many options are available. Ask for several limits of liability when obtaining proposals. Typically you will find only a small difference in premium between \$500,000 and \$1,000,000 limit.



Lot Protection and Appearance: Fenced, well lit, paved, etc. Carriers ask these questions, and the correct answers can help save you money.



Deductibles: Consider increasing your deductible to a level you reasonably believe you can afford in the event of a claim or multiple claims. The higher the deductible, the lower the premium for your Garagekeepers, Building, Contents and other property coverages. As your agent for options.



Minor losses to customer's vehicles: Consider paying for these damages yourself rather than file them under your insurance. For example, if you have a \$1,000 deductible for customer's vehicles and you cause \$1,200 damage to it, you may consider paying the \$200 yourself rather than have the insurance company pay this small amount. Insurance companies not only look at severity of claims but the frequency in which you file them. They become very concerned when they begin to see frequent small claims.



Importance of choosing your drivers: Due to the exposure of test driving customer's vehicles after service, the safety of drivers plays an important role in your business. Always check driver's Motor Vehicle Reports to be sure there are no major violations or numerous violations for one driver. Also, place a limit on the driver's age. Younger drivers are not allowed by many carriers due to the accident frequency of these driver.

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