

A QUESTION ANSWERED

I'm pleased to announce we have begun to receive e-mail feedback from this column.

David W Scott posed the first question:

“I saw recently a packaged Business Owners Policy for an auto paint and body shop which had been endorsed with garagekeepers coverage, but did not say anywhere the \$1M/\$2 M liability on the policy would also extend to the employees driving the vehicles in/out and around the shop. Is there a garage liability endorsement that should be added to the coverage page?”

David, since most Texas admitted markets joined the rest of the world and are now using ISO and General Liability forms, the waters are a bit murky for those of us who cut our teeth on the old Texas Garage Form. Add the fact that many companies utilize manuscript forms to customize their particular policy, and it becomes necessary to look at the policy in question to give a definitive answer to almost any garage liability question.

However, that said, my experience has been the liability coverage on a GL policy should be extended to employees driving customer vehicles via the following ISO policy endorsements:

CG7559 – Garagekeepers coverage to provide the physical damage liability for cars in the care, custody and control of the insured. (Be sure the coverage level is Direct Primary.)

CG2268 – Operation of Customers Autos on a Particular Premises for the primary liability limits to extend to damage caused while driving customers' vehicles (other than to the customers' vehicles which is provided by the GKL endorsement) and/or

MSAS06 – Hired and Non-Owned Auto for the same purpose.

I would be suspect of any GL policy written for a non-dealer operation that did not include either the above endorsements or reasonable manuscripted facsimiles.

Readers, please do not hesitate to contact me. I'm eager to receive your feedback, questions and comments. If you have specific subjects or insurance concerns you want highlighted or discussed here, let me know. anmullen@mulleninsurance.com or www.mulleninsurance.com. This column belongs to you, and I want it to work for you.

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