

READ YOUR POLICY!

I know you have all seen flyers or transmittal letters or whatever forms that come with your garage liability, property, commercial auto and random other insurance policies. Some agents do a recap of the coverage. Some simply enclose the contract, but most all include an admonition of: **READ YOUR POLICY.**

Agents make mistakes, companies are not infallible and even insureds sometimes inadvertently agree to a deductible or some other coverage limitation they didn't fully understand. The time to discover errors is when the policy arrives in your hands, not when you need to file a claim. Even if you cannot trudge through every word of insurance jargon included in your contract, it's important to review the Declarations Page and the pertinent endorsements that follow immediately.

It is within those first several pages where you'll find most of the coverage information that makes your particular policy unique to your operation. Take the time to see if the liability limits are as you imagined they would be. Do you have excluded drivers? How will the agreement respond to a hail loss? What about damage to a customer's vehicle? Who has coverage when operating a dealer-owned auto? Is twenty-four hour liability protection afforded to anyone who drives your cars? Must customer test-drives be salesman accompanied? Twenty minutes spent examining your insurance contract on the day the postman hands it over could save weeks of time and thousands of dollars on the day you need to use it.

A dealer recently told me a story that resulted in this article. When he opened the envelope containing his garage liability policy, he immediately noticed the primary liability limits were not as ordered. He called his agent's office to voice his concern. The customer service representative took note of the error, notified the company and the policy was endorsed to correct the limits. However, no one noticed—until a customer's vehicle was damaged while in his care, custody and control—that the garagekeepers liability section had been issued on a legal-liability form instead of

the direct primary basis the dealer wanted. He related how exasperating the claims experience had been. The insurance company was unwilling to back off the policy specifications, saying the insured had the policy in their hands for over three months. Their position was the insured bears some responsibility to review the contract to be sure it properly reflects the coverage he wants. The claim only amounted to about \$2,500, not enough to involve attorneys or courts to sort it all out, but more than adequate to create havoc. The dealer was angry. His customer was angry. His agent was angry, and even the customer service rep who discussed the liability error was angry.

Of course, your agent should, and probably does, review your policy in conjunction with the application you signed, as well as any file notes, before the contract is mailed to you. Still, it is wise to examine the policy specifics, and jot down any questions that come to mind in any area. Then call your agent to discuss coverage discrepancies or areas of misunderstanding. As you go down your list of concerns, check them off to be sure you get all of the answers you need. By using this proactive and detailed approach, you are likely to have a better understanding of the protection afforded your business and what you are paying for.

My experience has been that an informed customer is more often a satisfied customer should he find himself in a position of needing to file an insurance claim of any kind.

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This column completes one year of our HIADA Insurance Corner submissions. Thanks so much for the opportunity to visit with you on a monthly basis and for the positive feedback I've received. Please remember this space belongs to you to ask questions or submit ideas. If I have not heard from you, I hope to soon. If we've already spoken this year, I look forward to hearing from you again. Writing this column is a fun experience, and I am blessed by it. I appreciate you!

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