**Business Insurance: What are the significant issues for a collision repair business and what do I need to make a more informed decision**?

For many business owners, purchasing business insurance is one of the most aggravating and unproductive things they can do with their time; or so they think. For others, especially those with larger more complex operations with multiple locations, or for those, regardless of size, that have had claim activity; the purchase process is anything but aggravating or unproductive. In fact the process itself, can be rewarding, by knowing and understanding what is needed and to best manage risk and thus costs of doing business.

Most collision repair businesses are routinely involved with insurance companies. And in some cases, when a DRP is involved, that involvement is more than routine. You should know what your options are and what you are being required to do in order to get a contract or agreement to generate what you hope and trust to be a great deal of revenue for your business. Without first understanding risk and what you can and cannot insure or manage, it is difficult to make an informed decision. You need to be sure you have protected yourself and your business from resulting actions due to the business decisions or agreements you make.

**Considerations**

It is best to work with agents, agencies and companies that know and understand your business. You should obtain testimonials or references from your fellow collision repair business owners. (No different than what you may advertise to attract new customers.) Look for agents that demonstrate a fundamental knowledge of your business and the industry you are in. Your agent should understand the individual risks you face and the coverage you require. Check with your fellow-- franchise group, 20 group or association members to determine who they work with or sponsor.

Work within your association to develop or obtain an insurance specifications list. This will enable you to at least  have a road map to follow to pursue the right coverage in the right timeline to get the coverage you require...\*\*

**Unique Exposures**

Your business has unique exposures and the insurance companies use unique coverage forms such as Garagekeepers and Garage Liability to provide that coverage. You need to be sure that you are given the opportunity to be properly protected. Unless you work with a specialists and a specialized approach, it is hard to know if you are properly covered for your various exposures-such as--cargo pollution liability, customers personal property, employee tools, damage to customers autos, customer complaint defense and mechanics errors or omissions. You will also wish to consider coverage for alleged acts of discrimination or allegations of unfair labor practices. Specialized carriers, programs, agents and agencies can help direct you to the right solutions for your unique exposures.

**All Coverage Is Not The Same**

Some coverage appears to be very basic-but there are unique exposures that create challenges for the uninformed or unschooled. For example, as respects Garage/Garagekeepers Liability, consideration should be given to coverage for loss of customers personal property left in the vehicle while in your care, custody or control. In addition consideration should be given for coverage under mechanics errors or omissions so that you are covered for damage to the work you are performing while the vehicle is in your care, custody or control, as well as after the vehicle has been given to your customer and left your possession. Additionally, every operation should be seeking protection or coverage for allegations of acts of discrimination by not only an employee, but also customers or other businesses. Given the increased importance of group health insurance and employee benefits-- errors or omissions in the administration of your employee benefits program should also be considered.

When negotiating agreements with insurance carriers to become a member of their DRP network-collision repair business owners should work with their attorney and their insurance agent to be sure they are protecting themselves while complying with the requirements of the agreement. For example-many carriers require their being named an additional insured, or to be held harmless or provide an indemnity agreement. Contractual Liability coverage should be considered in your policy. As respects your exposures for products you sell -- or work you sub contract -- perhaps it would be best to also be named an additional insured by your suppliers -- those that provide products or services to you, so that you may in turn engage those other parties in the event of a claim. Or in the case of a hold harmless/indemnity agreement-negotiate the agreement to include cross-indemnity so that you each indemnify the other based upon the circumstances of a loss.

**Guidance**

For help with addressing the usual and not so usual insurance and risk management challenges of a collision repair facility, an insurance specifications\*\* document is available to SCRS members. That document along with a Business Insurance Checklist can provide you with the tools to make an informed decision and engage those that know and understand your business to assist you in making an informed decision.

Property-Contents, Stock, Equipment, Garage Liability, Garagekeepers, Errors and Omissions, Commercial Auto, Crime, Discrimination, Umbrella, Workers Compensation, Pollution Liability etc, etc. -- all terms of the insurance trade. And, unless you deal with it every day, or work with agents and companies that work with your business every day; it is difficult to know if you made the best decision on what you buy and how you cover yourself. Best to become better informed, follow a process and work with folks that are in businesses like yours every day -- to provide you the coverage  you want and controls you need that have allow you to be confident you have made the best, an informed, decision -- which should help you sleep better at night.

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