

# Garagekeepers Liability Coverage

Companies in the business of storing customer vehicles need to be protected. For example, truck drivers who are called to tow a car in the middle of the night frequently must store the cars in their shops for the night. If a few hours later, someone breaks into the shop and vandalizes the customer's vehicle, the driver can be held liable.

Garagekeepers liability coverage is designed to offer protection for business owners who offer towing services or operate service stations, similar to the scenario described above. This coverage protects customer vehicles while they are kept at the business location for parking, storage or to perform maintenance or services in the event of fire, theft, vandalism, explosion or lightning. Two types of garagekeepers liability coverage are available:

1. **Direct Primary Coverage:** Coverage for a business, even if the loss is not the business's fault nor are they legally liable.
2. **Excess Coverage:** Additional coverage over the limit of coverage that the vehicle owner or customer has from his or her own insurance company. This will automatically pay if the customer does not have auto insurance.

Garagekeepers liability coverage is designed for the following:

- Automotive and motorcycle dealers

- Service stations
- Restaurants, hotels and special event operations with valet parking
- Private parking lots and structures and airport parking lots
- Car washes
- Other businesses that accept custody or control of vehicles belonging to others for a fee

Keep these points in mind when determining limits and deductibles:

- Determine coverage limits by considering the average value of vehicles in your care multiplied by the average number of vehicles in your care at any given time. For instance, if the average value of your customers' vehicles is \$30,000 and you tend to have 10 vehicles on hand, then you should select a limit of \$300,000.
- You must select a per-vehicle deductible that you must pay in the case of a damaging incident. Then, the insurer covers the remaining amount, up to your limits.

The following exposures are excluded under garagekeepers coverage:

- Contractual obligations

Provided by Gallagher Franchise Solutions

## Garagekeepers Liability Coverage

- Theft by the insured
- Defective parts or faulty work
- Loss to sound reproducing equipment, unless it is permanently installed
- Loss to sound receiving equipment—such as mobile radios and telephones—unless it is installed in the dash or console
- Radar detection equipment

We understand that unfavorable incidents can occur. Garagekeepers insurance assures that you are adequately protected. Contact Gallagher Franchise Solutions today for more details.