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Keeping Your Business Running With Commercial Auto Insurance

Regardless of what type of business you run as a landscaper or nursery owner, you rely on vehicles to carry out its daily needs. Whether you need them to move people and equipment to job sites or deliver plants to your clients' homes, commercial auto insurance is a must-have. Not only is it good business sense, but small business owners are required to carry commercial auto coverage in nearly every state.

Continue reading to gain a better understanding of the benefits of Commercial Auto Insurance, factors that could impact your policy rates and tips to help reduce the likelihood of claims.

Commercial Auto Insurance and Your Business

What happens to your business if someone sideswipes one of your work trucks while it's on a job or a sudden hailstorm breaks your car windows during a delivery? If you answered with 'nothing,' it's likely you're already taking advantage of the benefits of a commercial auto policy.

Commercial auto insurance can help your business by:

- Covering the cost to repair or replace a damaged work vehicle after being hit by or hitting another vehicle. This is also known as **collision** coverage.
- Assisting with damages that can occur without an accident, such as weather damage. Coverage for this non-collision damage is known as **comprehensive** insurance.
- Helping pay any medical bills, award amounts or settlements stemming from lawsuits.
- Providing financial help for repair or medical costs if an involved uninsured or underinsured driver doesn't have insurance or sufficient coverage.

It's important to note that these policies typically only cover the vehicle itself and liability related to its use, not the contents of the vehicle. Therefore, any tools or equipment damaged in an accident would be your own to repair or replace. If you want added protection for your tools and equipment, seek out an aptly named Tools and Equipment Insurance policy or consider adding a mobile equipment endorsement to your commercial auto coverage.

Conditions Affecting Your Policy

Like every other industry, Commercial Auto Insurance market conditions can change, resulting in issues insurers and insureds alike must navigate. If you're considering altering your policy or getting a new one under a different carrier due to business changes, [here's what you need to know](#):

- **Nuclear verdicts are rising** – If your business finds itself in court following an accident involving one of your large commercial vehicles, be wary of the possibility of a so-called nuclear verdict. High jury awards in cases involving large vehicles, like commercial trucks, have increased more than 50% each year over the past decade. Because of this, attorneys are more inclined to go to trial in hopes of securing a large settlement. Due to this ongoing trend, many commercial auto carriers continue to decrease their coverage options or exit the market altogether.
- **Claim costs are up** – A minor trip to the auto garage can quickly turn into an expensive headache. Vehicle technological advancements common in commercial vehicles, such as backup cameras and other sensors, make repairs more expensive, which, in turn, drives up claim amounts. This leads to rate increases for consumers and creates numerous challenges for insurers.
- **Good drivers are hard to find** – In the trucking industry, rising freight demand and an aging workforce are anticipated to cause the existing driver shortage to skyrocket. In an effort to help minimize the shortage, many businesses have adjusted their recruitment and retention strategies, even lowering driver applicant standards to fill positions. These workers often have shorter driving histories, which can lead to increased accidents and claims. If your nursery or landscaping business is having difficulty filling open driving-related positions, consider how this approach can result in business losses and other expenses, then consider whether increasing your policy limit can help.

Tips to Help Prevent Claims

Accidents involving one of your commercial vehicles can disrupt your business, potentially harm your company and result in costly claims. Use the following tips to make sure your drivers are safe and experience fewer accidents:

- **Hire qualified drivers** – Motor vehicle records (MVRs) are valuable in helping you vet a driver's experience and violation history. Disqualify those with an unacceptable record and review MVRs regularly to ensure continued good work. Determine what violations are acceptable and how many are allowed before losing work driving privileges.
- **Use technology to improve safety efforts** – GPS tracking and dash cameras are affordable and innovative ways to lower your losses and improve driver safety. If one of your commercial vehicles is stolen, GPS can help law enforcement quickly locate it. Dash cameras, meanwhile, can help corroborate or refute a driver's story following an accident.
- **Create a driver training program** – A comprehensive safe driver training program can improve your drivers' skills on the road, helping reduce their risks and thereby lower claims. Regularly retrain drivers on these techniques, especially if you continue to enhance your training by implementing or modifying the program in response to your evolving business risks or new vehicles in your fleet.

Help drive your business to new heights by protecting your bottom line with commercial auto insurance. If you need assistance finding coverage that fits your unique needs, contact Ashley Thomas of Gallagher Affinity at [918.764.1619](tel:918.764.1619) or ashley_thomas@ajg.com for a free risk analysis and coverage review. Learn more about available coverage at gallagheraffinity.com/MNLA.

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