

Bailee Coverage

When you have a client's property in your possession for storage, repair or servicing, your exposure to the risk of damage is significant. Contents coverage included in your commercial property policy applies only to your property, and general liability policies exclude claims for loss or damage to others' property that is in your care, custody or control. If something were to happen to your customers' property, even if it is completely out of your control, you could be held responsible. Depending on the type of business and the techniques used to service or store property, the financial consequences of loss or damage to a customer's property could be substantial.

A Bailee coverage policy is an important way for cleaners, repairers, warehouses, hospitality organizations and other businesses that work on or hold customers' possessions to protect themselves from this risk. This policy can cover losses to customers' property due to perils such as fire, lightning, theft, burglary, robbery, windstorm, explosion, collision, flood, sprinkler leaks, earthquake, strike, and damage or destruction in transportation.

Of course, in addition to these risks, there are many more things that can go wrong while a customer's property is in your care. There are several coverage options available that can cover your business even if you are unable to accurately estimate the value of your customers' property or if you are at fault for the loss:

- **Unlimited Bailee:** By purchasing Unlimited Bailee Coverage, you will eliminate the need to

accurately estimate the value of the property you would like to insure. With this coverage, you do not risk underestimating the value of property and paying the difference on a claim.

- **Damage in process:** This option provides coverage for operator errors when repairing or servicing an item. For instance, for a refrigerated warehouse, a product could be stored at a temperature other than that requested, a product could become contaminated, goods could disappear, a product could break and poor maintenance could cause damage.
- **Mysterious disappearance:** This option provides coverage if you misplace a customer's property.

Take note that most Bailee policies exclude flood coverage. As always, be sure to carefully review your policy to ensure that you understand all exclusions. Consult the insurance professionals at Gallagher Risk Management - Tulsa to determine which combination of Bailee coverage, and other property and liability coverage, is right for your business.