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Understanding Commercial Auto Insurance for Landscapers: Reducing Premiums and Improving Protection

As a landscaper, you rely heavily on your fleet of business vehicles — ranging from crew trucks to trailers — to get the job done. While the work brings you and your clients satisfaction, being on the road so often means you're exposed to inherent risk.

Someone could crash into your crew truck while your team is on its way to a job site, or your vehicles can damage someone's property or cause bodily harm while transporting materials. Despite these factors, many businesses underinsure or misclassify vehicles, leading to higher premiums or denied claims.

Whether you're planning on updating your fleet this spring or simply reviewing your insurance costs, continue reading to get a better understanding of why carrying a commercial auto policy is important — as compared to your personal auto insurance — and the ways you can lower the cost of this critical protection while reducing risk.

Commercial vs. Personal Auto Insurance

The difference between commercial and personal auto insurance is simple: Commercial auto insurance is designed to cover vehicles and assets used for business purposes, such as your vans, trailers, trucks and drivable specialized equipment, like lawn mowers or snowplows. Personal auto insurance, as the name implies, is there to protect you against financial losses arising from crashes, theft, vandalism, animal impacts and costs related to repairs, medical expenses and damage to others' property.

Commercial auto insurance tends to cost more because it offers a broader scope of coverage and limits designed to protect your company's investments. If you think you can save money by insuring your business with your personal auto policy, think again. Personal auto insurance has specific exclusions for individuals who use their vehicles for business purposes, creating a costly gap if you were to find yourself in an accident or liable for damages.

Now that you understand the benefits of this essential coverage, let's examine ways you can make the most out of your policy and lower costs while improving driver safety.

Tips for Optimizing Limits, Deductibles and Fleet Rating

When shopping for insurance, you shouldn't go it alone. Your business size and finances will help determine the best coverage limits and deductibles; making a mistake here could be costly, resulting in headache-inducing coverage gaps and insufficient coverage.

Instead, work with a trusted expert, like Ashley Thomas of Gallagher Affinity, to understand what best works for your business. She can do this by analyzing the value of your vehicles and potential damage costs to determine the perfect coverage amount for your needs, preventing a

coverage gap or keeping you from overpaying for an inadequate policy. If you want to save money on your policy, she can help you find ways that make good business sense, such as increasing your deductible to lower premiums.

If you own multiple vehicles covered under the same commercial insurance policy, she can help you qualify for a fleet rating. Typically, three to five vehicles are needed to be considered a fleet, but doing so can secure valuable discounts, lower premiums and provide an easier-to-manage policy than insuring your vehicles separately.

With the cost of vehicles rising and electric vehicles (EV) more prevalent on the streets — and maybe a part of your fleet — it's important to ensure your investment is secure against the unknown.

Best Practices for Your Drivers

Did you know a large truck crash involving injury **can cost you an estimated \$383,000?** One powerful way to safeguard your business against this hefty price tag and keep commercial auto insurance costs down is to enact best practices to reduce claims.

Here are some tips:

- **Establish a robust hiring program with driving in mind** – Don't take on the risk of inexperience. Instead, ask candidates to provide their: motor vehicle records for the last three years; proof of road test completion and any necessary certifications; a negative drug and alcohol test; and any criminal records related to relevant offenses, such as drunk driving. This can help ensure you're only hiring qualified drivers.
- **Set professional standards for driving** – If you are trusting your employees to operate your vehicles — or even drive their own for work purposes — it's important they understand what conduct is and isn't allowed. Create common-sense guidelines to keep them safe, such as:
 - ✓ Prohibiting cell phone use and establishing rules regarding hands-free devices.
 - ✓ Always wearing a seatbelt and obeying all posted traffic signs.
 - ✓ A process for what to do in the event of an accident, such as calling a supervisor and taking photos of any damage.
- **Take advantage of new technology to improve driver safety** – Keep a close eye on driver behavior with tools like telematics and dash cams. Telematics systems merge telecommunications, GPS data and sensors to collect and transmit vehicle data. With real-time data on your drivers' locations, speeds and braking behavior, you can ensure good habits, capture savings on your insurance and get peace of mind in the event a vehicle is ever stolen.

Dash cams, meanwhile, are simple, mounted camera systems that continuously record video from the car's windshield, and even the interior and rear views depending on the model. Dash cams can capture valuable evidence in the event of an accident, protect against distracted driving and prevent theft or vandalism.

Commercial auto insurance is a must-have for any landscaping business that relies on a fleet of vehicles — or even one — to get the job done. Assuming you're covered under your personal auto policy can expose you to significant headaches, repair costs, medical bills and liabilities, as this coverage explicitly excludes any vehicles used for business purposes.

MNLA's insurance expert, Ashley Thomas, can provide a free risk analysis to help you understand your current exposures and explore your commercial auto insurance options. **Learn more about available coverage at gallagheraffinity.com/MNLA or contact Ashley Thomas** of Gallagher Affinity at **918.764.1619** or **ashley_thomas@ajg.com** for a coverage review.

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