

RISKY BUSINESS

Insurance Info & Risk Management Tips

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Don't Trust the Luck of the Irish when it Comes to Driving!

March Madness, St. Patrick's Day, The Oscars...what do all these have in common? Parties! And what do parties have? Risks! It's a risky month – especially for driving. Let's talk about Auto Insurance.



Auto coverage, whether it's a personal or a commercial auto coverage has insurance options - Liability Only or Liability with Comp & Collision. If you have a 1983 old beater car that you own outright and don't care if anyone steals or damages, you may just opt for Liability Only coverage – which will save you money on the premium but leave you hanging if something happens to your vehicle.

Liability Only coverage will come into play should you cause bodily injury or property damage to another person. I recommend a minimum of \$500,000 in Liability to cover driving exposures. This may sound like a lot but if you hit a car with 4 people in it, their medical costs could well exceed 100K per person. Plus, the vehicle damage (what if it's a 100K plus car?) and the attorney fees!

Comprehensive and Collision coverage covers your vehicle should it be stolen (up to the amount insured on the policy), damaged in a collision (an accident that you cause) or damaged by weather, vandalism, tree falls, golf ball to the window, etc. I most always recommend paying a bit more and having this coverage – no one wants to be the victim of something beyond their control and then having to buy another vehicle out of pocket.

You may have the option to purchase **Combined Single Limits (CSL)** or **Split Limits (SL)** coverage for your policy. If you purchase CSL coverage, you are able to use that limit however you may need to use it. Example: If you have 500K in CSL coverage and you accidentally drive through the window of a business and damage that business, but no one was injured, you can use up to 500K to pay for the damages. If you had split limits, you would only be able to use the property damage

coverage limit to pay for the property damage. I always recommend having CSL coverage.

Uninsured/Under-insured Motorist Coverage is something I always recommend to my clients. Sadly, there are many people on the road that do not follow the law and do not have auto insurance (or have the state minimums which can be shocking low – California has 15/30/5 limits which equates to 15K medical per person, 30K medical total for all people and 5K for property damage). If they were to hit you and cause bodily injury to you and property damage to your vehicle, and they do not have auto coverage (or have just the minimum limits), you could be out all the money for your medical payments and fixing or replacing your vehicle! I recommend having 500K in Uninsured Motorist coverage.

Hired/Non Owned Coverage – if you have employees that drive their own vehicles during the course of the business day (not to and from work) on an incidental basis – like picking up documents from a client or running an errand, you will want to have this coverage. This coverage acts as an extra layer of protection for your business. If your employee were to get into an accident during the course of a business duty, and they had low limits on their own personal policy, the company could be exposed to the excess liability that damage caused.

TIPS: **(1)** Always check your new employees MVR records (don't just rely on their word) if they will be listed on your commercial policy as a driver. If they have DMV points against them, your premium will likely go up (and you may not want them driving anyway) **(2)** Talk with your Broker/Agent about your policy and make sure you understand your coverage, risks and exposures.

I hope you will find the information relevant and helpful, and I am always open to questions and welcome feedback.

For more information about me and my company, please visit www.hlinwood-insurance.com