

CENTURIES OF ROUGH NOTES

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FIVE TYPES OF RISKS are covered by the Garage Liability policy against losses like this garage explosion that wrecked 70 cars in New York.

The Most Misunderstood Coverage — Garage Liability

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THE GARAGE LIABILITY policy is one of the most misunderstood policies in the Casualty field. To properly appreciate this policy, look at the variety of businesses that may be covered by this single contract.

For instance, this policy may be issued to the following:

1. One man filling station;
2. Automobile dealer, whether the smallest or largest in the country;
3. Farm equipment dealer, regardless of size;

4. Any automobile repair shop, whether only a paint shop, a body repair shop, a motor repair shop, a brake repair specialist, or a fully equipped repair shop;

5. All storage garages and public parking places.

All are businesses that deal with automobiles or farm equipment. Basically they need the same coverage, even though they vary greatly in their operations. It doesn't take any stretch of the imagination to visualize the prospects for this coverage

in any village, town or city.

This policy was drawn to give one of our largest national businesses an all-inclusive Liability coverage for both Bodily Injury and Property Damage.

The policy is first divided into two main definitions of hazards: Division I and Division II. There is only one difference in these. Division I covers premises hazards as well as all automobiles, including those owned by the insured and others used in connection with the operation. Division II gives the identical coverage except owned or rented automobiles are excluded from the coverage.

With the exception that automobile sales agencies must be insured under Division I, and self-service gasoline stations must be insured under Division II, any other risk insurable under the Garage Liability form may choose the coverage best suited to itself.

Definition of the Insured

Who is covered by this policy? Insureds can be broken down into three categories:

1. Any partner, employee, director or stockholder of the named insured while acting within the scope of his duties as such.

2. Any person or organization having a financial interest of the named insured covered by the policy.

3. Any person while using an automobile covered by the policy and any person or organization legally responsible for the use thereof, provided the actual use of the automobile is by the named insured or with his permission.

The policy provides automatic coverage for all premises operated for the purposes insured. If in an individual case it is intended that only a specific location be covered, the policy must be endorsed to that effect.

The policy provides coverage as to operations incidental to structural alterations, new construction or demolition operations when performed by the insured. Such operations are excluded when performed by independent contractors.

Hoist Not on Elevator

This policy may include coverage on elevators. An automobile grease hoist, however, is not an elevator under this policy and since it is covered by premises operations coverage, no "Care and Custody" coverage is afforded without a special endorsement. Most companies will permit endorsing the basic policy to cover cars on the grease hoist.