

## SUMMARY OF COVERAGES

### **A. FEATURES OF GENERAL LIABILITY POLICY – Provided by Zurich American Insurance Company**

\$5 Million Per Member Aggregate, \$1 Million each accident -Non-Owned auto liability.

1. Combination of Non-owned auto liability and general liability.
  - a. **Non-owned auto liability** - provides coverage when driving a repossessed vehicle. Must be within the scope of normal repossession activities. Does not cover personal use of repossessed vehicle or your employee's owned vehicles (i.e. tow trucks). Limit is \$1 Million per occurrence.
  - b. **General Liability Coverage**

Premises and Operations, includes the liability for your office, your storage yard, and your repossession activities away from your premises. - **Your buildings, contents, tow trucks, etc. are to be insured separately.**

    - Products Liability
    - Defense Costs - is in addition to limit of liability.
2. Broadening endorsement has been added and provides the following:
  - A. Personal and Advertising Injury
  - B. Wrongful Repossession
  - C. Fire Legal Liability - pays up to \$50,000 for property damage caused by fire to real property leased or rented to you.
  - D. Host Liquor Liability (*i.e. company sponsored holiday parties or gatherings*)
  - E. Automatic Liability for newly acquired garage operations for up to 45 days
  - F. Incidental Medical Malpractice (*liability exposure created by the offering of medical services by an entity not engaged primarily in the offering of such services*)
  - G. Non-owned Watercraft - if less than 45 feet and not being used to transport people or property for a fee.
- c. **Garagekeepers Coverage - Provided by Zurich American Insurance Company**
  1. \$1,000,000.00 General Liability per occurrence.
  2. On hook coverage is included under the \$1,000,000 with no sub limit for any one vehicle.
  3. Coverage is provided on a comprehensive basis and encompasses coverage for collision, fire, lightning, explosion, theft, and vandalism, windstorm, flood, hail and earthquake.
  4. Property being repossessed by subcontractors is covered up to \$125,000. **Subcontractor liability is not covered.**
  5. Vehicle being repossessed does not have to be on hook. Drive away repossessions are covered.
  6. Items covered are autos, boats, RV's, motorcycles, mobile equipment, mobile homes, construction equipment, travel trailers, trailers and personal property.
  7. Personal property is excess over any other valid insurance with a limit of \$3,500 each loss. Personal property losses are subject to a standard \$1000.00 member deductible.
  8. Direct primary coverage- not legal liability

Revised: 09/01/09

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## EXCLUSIONS UNDER THE GARAGEKEEPERS/GENERAL LIABILITY POLICY

1. **EXCLUDED** - Anything that is not considered to be a normal or incidental part of the repossession business. This includes, but is not limited to:
  - A. Non repossession towing operations
  - B. Salvage Yards
  - C. Auto Repair
  - D. Driving a repossessed vehicle for personal use
2. **EXCLUDED** - Liability or Physical Damage coverage for **owned vehicles, includes cars, trucks, wreckers, etc.** This exclusion pertains to vehicles owned by you or your employees.
3. **EXCLUDED** – Liability or Physical Damage coverage for **owned buildings, offices, storage facilities or contents of such owned facilities.** This exclusion pertains to property owned by you or your employees.
4. **EXCLUDED** - Theft or conversion by any member or their employees of automobiles or personal property.
5. **EXCLUDED** - Liability of Independent Contractors. However, it is important to know that what many people think is an independent contractor relationship, is actually an employer/employee relationship in the eyes of the IRS and the law. If you control the persons conduct in the performance of their duties and/or provide the items necessary to perform the task (tow truck, tools, telephones, information, office space, etc.) they are viewed as an employee and would therefore be covered under this policy. The fact that this person is paid under a 1099 instead of a W-2 is not enough by itself to make that person an independent contractor.
6. **EXCLUDED** - Bodily Injury or property Damage – expected, intended or intentionally caused by an insured. However, this exclusion doesn't apply to Bodily Injury resulting from the use of "reasonable force" to protect persons or property.
7. **EXCLUDED** – Assignments and repossessions not reported on monthly reports.
8. Standard Exclusions Including:
  - A. Workers compensation obligations
  - B. Damage to property of others in the insured's care, custody or control. However, \$3500 of debtors' personal property held for storage is provided on an excess basis. Money is not included in this coverage.
  - C. Pollution
  - D. Communicable and occupational diseases
  - E. Guard Dogs
  - F. Use of Guns in any fashion
  - G. Punitive Damages

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**B. FEATURES OF EXCESS LIABILITY POLICY – Provided by American Guarantee & Liability Insurance Company**

**\$2,000,000 Per Occurrence, currently meeting or exceeding most lender requirements**

American Guarantee & Liability Insurance Company is rated A by AM Best. Its Financial Category Rating is XV meaning it has more than \$2 Billion to pay claims

**C. FEATURES OF EMPLOYEE DISHONESTY/COMMERCIAL CRIME COVERAGE**

**Provided by Zurich American Insurance Company**

Fidelity bonding guarantees the principal's or insured's honesty, hence the term Employee Dishonesty Bond. Employee dishonesty coverage provides protection for employee theft of client's money, securities or property. In the situation of a repossession company performing services on the behalf of a lien holder, the bond would provide coverage if a repossession agency didn't turn over funds collected by an employee on a lender's behalf.

Bond coverage is not extended to include cash money claimed to have been left in debtors' vehicles, if an agency is holding vehicles due to non-payment of invoices, or if an employee steals from the repossession company itself.

**D. FEATURES OF ACCIDENTAL DEATH & DISMEMBERMENT POLICY – Provided by AIG Insurance** - \$15,000 Benefit

Available to all members and their full time staff. Full time employee is one that works exclusively under your direction and works at least 30 hours per week. No medical exam, no qualifications. Simply enroll and complete the beneficiary information.

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