

Installing Equipment in Patients' Vehicles:

*Why HME Businesses Need
To Consider Garage and
Garagekeepers Liability*



800.362.3363 | info@vginsurance.com

Introduction

No matter how small, all garages are full of hazards, including moving vehicles, expensive equipment, employees operating heavy machinery, and potentially dangerous tools and chemicals. Even the safest garages will occasionally have accidents that result in devastating lawsuits capable of closing their company's doors.

Regardless of the percentage of revenue your business generates through garage operations, if you install equipment of any kind in patients' vehicles, you need to have Garage and/or Garagekeepers Liability insurance.

Why Are Garage and Garagekeepers Coverage Important For HME Businesses?

The home medical equipment industry provides essential installations, maintenance, and repair of equipment for patients. It's common for companies to take custody of a wheelchair-bound patient's vehicle to install adaptations in a garage or onsite at the customer's home. Garage and Garagekeepers Liability policies are important because they apply to the installation of wheelchair lifts, ramps, accessibility controls, and other customized options in patients' motor vehicles that may not be covered by standard business policies.

An ideal outcome would be for installation services to happen on time with all parts working properly—and in great condition. But we know accidents can happen.

A Real-Life Claims Case Study

Imagine your company was hired to install a lift onto a patient's vehicle. It's something you've done hundreds of times and have never had any issues. However, the technician doing this particular installation accidentally cuts a line, resulting in damage to the patient's vehicle. You call your insurance company to file a claim, only to find out that the coverage under your Commercial General Liability policy would not be triggered because the vehicle was in your business's care, and the damage was a result of your employee's work.

Understanding Garage General Liability

Garage General Liability (GGL) coverage can basically be thought of as a combination of a Commercial General Liability policy and a Business Auto policy that's designed to cover the typical operations of commercial garages. However, as with most insurance policies, there are some important exclusions and distinctions you should understand as you elect your coverage.

What's covered?

- Third-party injuries
- Liability claims from bodily injury or property damage caused by the operations of the garage installation business
- Products manufactured or sold by the garage that cause damage to a customer's vehicle

What's not covered?

- Customers' vehicles
- Personal property left in the care, custody, or control of the garage
- Injuries to employees
- Damage to the garage

The most important exclusion of the GGL is the “care, custody, or control” exclusion. This means that personal property left in the care, custody, or control of the garage—including customers’ vehicles—will not be covered by the GGL policy.

If a customer’s car is damaged while in your company’s care, or if it causes damage while in your company’s care, your GGL could leave you exposed. However, a separate coverage commonly sold along with a GGL policy—Garagekeepers Liability coverage—is designed specifically to provide coverage for that exposure.

Understanding Garagekeepers Liability

A Garagekeepers Liability policy helps to fill in the gaps from a GGL policy. It protects your business if a customer’s vehicle is damaged or if it causes damage while in your possession. This coverage is not included in a standard GGL policy and must be procured separately.

What’s covered?

- Customers’ vehicles from damages while in your possession or control as a result of:
 - » Fire
 - » Theft
 - » Extreme weather
 - » Vandalism at your place of business
 - » Negligence of employee
 - » Other accidental damage to the vehicle (like a collision)

What’s not covered?

- Damage that occurs from faulty workmanship, parts, or insufficient warranties
- Contents of your customers’ vehicles

Keeping You Protected

It’s always best to be prepared and ensure your business is protected when it comes to working with your customers’ vehicles in any capacity, no matter how small. Review your current coverage with your insurance provider today to discuss Garage and Garagekeepers policies, and which options are best for your business.

For additional information about these policies, or for more risk management tips and ideas, contact your VGM Insurance Account Manager or reach out to us at **800-362-3363** or info@vgminsurance.com.

