

DON'T RISK LOSING YOUR BUSINESS BY NOT HAVING THESE COVERAGES!

The coverages listed in this document are not required contractually, but are recommended because they could help avoid the added financial strain that distributors could incur if they do not have them on their commercial policy.

- **LOAN LEASE GAP**
 - In the event of a covered total loss of a vehicle, this feature helps provide coverage for the difference between the loss settlement value of the vehicle and what you may still owe on a loan or lease for that vehicle.
 - Example: Most distributors start out “upside down” on their investments. A total loss could potentially put them out of business if they are having to continue to pay for a vehicle they no longer have, as well as a replacement vehicle.
- **WAIVER OF SUBROGATION**
 - A contractual provision where one party agrees to limit the rights of its own insurance carrier and usually pays an additional premium for a special policy endorsement allowing for coverage under such a situation
 - Example: If a claim that occurred in a store during a delivery is paid, without a waiver of subrogation, the distributor’s insurance company can file suit against the store in attempts to recoup some of the payout for the claim. This could compromise business relationships with stores and customers.
- **TOWING & LABOR**
 - Towing and labor coverage can be added as part of an auto insurance policy. Reimbursement for these expenses, up to the limit specified in the policy, can be used in the case of roadside breakdowns.
 - Example: Towing costs for commercial trucks can be EXPENSIVE! This will lower the amount the distributor has to pay out for the services.
- **ANY AUTO LIABILITY (SYMBOL 1)**
 - This is the broadest liability coverage available, extending bodily injury and property damage coverage over ANY AUTO used for the business.
 - Specified Auto (Symbol 7) provides liability coverage for only the vehicles scheduled on the policy and offers no coverage to any other auto used unless it is a replacement.
 - Example: Every distributor has to complete pull-ups, even on off days. Most will not use their commercial truck to make the rounds to do these, in an effort to save on fuel costs as well as for convenience. If the policy does not have Symbol 1 coverage, the personal vehicle being used to make the rounds to complete pull-ups has no commercial auto coverage, even though it is being used for the business.

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- **NON-OWNED & HIRED VEHICLES**
 - Non-Owned & Hired auto liability covers bodily injury and property damage caused while using a vehicle you hire (rented or borrowed vehicles) or caused by non-owned vehicles (vehicles owned by others, including vehicles owned by your employees).
 - EXAMPLE: If the distributor chooses to rent an additional truck to operate his business, his liability coverage will carry over to the rental vehicle and he will not have to pay the liability insurance costs provided by the rental company. Non-owned extends liability coverage over an employee's vehicle that may be used for your business purposes.
- **HIRED PHYSICAL DAMAGE**
 - Extends Collision and Comprehensive coverage (physical damage) to any vehicle you rent or borrow as a replacement vehicle or an additional vehicle. Most commercial auto policies provide no physical damage coverage unless the vehicle is scheduled on the policy.
 - EXAMPLE: If a distributor needs to rent a truck because his vehicle is in the shop, he will not have to pay for the Loss Damage Waiver (LDW/LCW) offered by the rental company.
- **CARGO**
 - Cargo coverage is used in the event that a distributor's cargo, or product, is destroyed, damaged, stolen, or otherwise declared a loss while in the process of being delivered.
 - Example: If a distributor has an accident before he is finished with his deliveries, and the product is damaged, etc., he will have no coverage to cover the monetary loss of product without cargo coverage.
- **HANDHELD**
 - Distributors rely on their handheld devices to manage inventory. If the device is lost, stolen, or broken (which happens when left sitting on the back of a truck pretty often), this coverage provides reimbursement for a replacement device.