



AXIS INSURANCE GROUP

# *Garage Automobile Insurance Demystified*

Whether you're selling, repairing, maintaining, storing, towing or parking vehicles, we'd be stating the obvious if we said you need the right automobile insurance. After all, you're in the business and are well-versed in the risks. However, important areas sometimes get overlooked and that's where you can realize—sometimes too late—that you're underinsured and suddenly liable for uncovered claims. It's always tough to find out after the fact—especially if one of your customers' vehicles is involved.

So whether you're a small repair shop or a major dealership with a rapidly changing inventory of vehicles, you'll be pleased to know that Axis Insurance has an expert team that can provide true value for money—as well as peace of mind—whatever vehicles you and your employees are driving.

Axis Insurance Group

#400 - 555 Burrard St. Box 275, Vancouver, BC, V7X 1M8

Toll Free 800.684.1911 | Fax 604.331.0662 | [axisgroup.insure](http://axisgroup.insure)

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*Repair Plates are often misused and can invalidate the insurance provided by the Garage Policy.*



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## What are the issues when it comes to your automobile risks and the garage policy?

Now it may be stating the obvious, but any vehicles owned by your company must be fully and properly insured for their use and operation. However garages have a number of risks that simply aren't covered under a regular commercial automobile owner's policy or the general liability policy. A garage auto policy is needed to cover damage to your customers' vehicles when they're left in your care, custody and control. Specialized plates such as repair plate or demonstration plate may also be required. In addition, dealers own a constantly changing inventory of cars or trucks for which liability, accident benefits, and physical damage insurance is needed.

## Common Misconceptions

### The Garage Repair Plate

The garage repair plate can be purchased by operators and attached to their customer's unlicensed vehicle(s) for the purpose of repairing, testing, towing or to render a service incidental to repairing or testing. However, repair plates cannot be used:

- On a vehicles owned by a company officer, partner, or employees (owned or leased)
- By a customer
- For leisure purposes

### The Garage Demo Plates

Demo plates can be purchased by an operator with a BC certified Motor Dealers Registration or with ICBC approval for equipment wholesalers for use in demonstration purposes.

#### Demo Plates can be used for:

- Many purposes related to the business of the dealer
- Conditioning or testing of a vehicle
- Delivery of a vehicle from the dealer to the purchaser
- Prospective buyers for demonstration/testing purposes of a vehicle
- Prospective buyers buyer for a period of 48 hrs with written authority from the dealer for demonstration purposes
- Pleasure purposes by the dealer

#### Demo Plates cannot be used:

- On vehicles owned or leased to partner(s), officer(s), or employees
- On a revenue-generating vehicle (ie: courtesy car, parts truck, service vehicle)

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## The Garage Transporter Plate

The transporter plate can be purchased by operators in conjunction with an ICBC Garage Policy for operators engaged in the business of delivering and picking up unlicensed vehicles.

### Transporter Plates are restricted for the following use:

- Attached to unlicensed vehicles for operation or towing while being delivered by the transporter
- Can be used only by the transporter operator or an authorized person regularly employed by the transporter

### Transporter Plates cannot be used:

- On vehicles owned or leased to the transporter
- On vehicles owned or leased to employees when the employee is an occupant or driver of the vehicle
- Can not be operated for pleasure
- Can not be attached to vehicles NOT eligible for registration/licensing or salvaged vehicles

## Misconceptions of the Garage Policy

### Legal Liability

The Garage Policy provides coverage on Legal Liability Basis. Having possession of a customer vehicle by a garage operator does indicate the garage operator is liable in the event of a claim. The garage operator must be deemed negligent while in possession of a customer's vehicle to be liable in a claim. In practice, the claim will be paid under the vehicle owner's policy if the garage operator is not found negligent or liable.

### Garage Courtesy Cars

Garage operators at times assume that a customer's vehicle insurance coverage automatically transfers to the garage's courtesy car while the customer's vehicle is in for repairs.

- Liability—Coverage only transfers to protect the customer, not the garage operator
- Collision—This is an automatic transfer to the courtesy car provided the customer's vehicle maintains collision coverage
- Comprehensive—transfer is allowable provided a written agreement is in place between the garage operator and customer



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*As with every insurance policy there are different options, policy wordings, enhancements or amendments available. Your Axis Insurance representative will be able to help create a tailor-made policy to suit your exact requirements.*



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## Repair Plates

Garage operators may not purchase or renewal repair plate(s) without a business licence or renewed business licence. Many times business licences have been left un renewed at the time of issuing a garage policy renewal. This often causes delays and hold ups in a repair garage's operations when repair plates are not immediately available.

## Benefits of Garage Insurance coverage from Axis Insurance Group include:

- Uninsured Automobile Coverage—don't be left with unexpected costs following an accident with an uninsured driver
- Third Party Liability Insurance—if you injure someone else or damage their property, our policy covers you and will page for full legal defence costs
- Accident Benefits—provides coverage to occupants of the car or truck in the event of injury or death which happens during an accident
- Automobile Physical Damage—for your own, for customers and for non-owned vehicles. If vehicles get damaged while they're in your care, this will provide coverage
- Dealer Plate and Service Plate coverage is available through Axis Insurance Group—let us know how we can help!
- We also have a number of endorsements which include:
  - Loss of Use on Owned Automobiles
  - Waiver of Depreciation on Owned Automobiles
  - Open Lot Theft for both Owned and/or Customers' Vehicles
  - Garage Family Protection Endorsement

*To find out more about Garage Automotive Insurance, or to discuss your existing insurance policies, please give one of Axis Insurance's professional and experienced team a call on 1-800-684-1911. We would also be pleased to outline the benefits of Garage Insurance with your management.*