

Motor Trade

Frequently asked insurance questions

ARE MY CUSTOMER'S VEHICLES COVERED IF NOT PARKED AT MY WORKSHOP SITE, BUT PERHAPS DOWN THE ROAD? (WE OFTEN HAVE AN OVERFLOW OF CARS)

Motor Trade specific insurance products usually provide cover for customers cars in the immediate vicinity from your workshop – it is best to check your policy wording. Business Pack Policies (non-motor industry specific) are unlikely to offer this cover as standard.

CAN I BE COVERED WHILST DELIVERING TO OR PICKING UP A VEHICLE FROM A CLIENT?

Yes, most Motor Trade and Business Pack policies offer an “Optional Benefit” called Driving Risk. This needs to be requested/nominated and should be stated on your Policy Schedule.

WHAT DOES COVER FOR “FAULTY WORKMANSHIP” EXTEND TO?

If the Faulty Workmanship cover extension is stated on your policy schedule, it will include the cost of or expenses incurred in performing, re-performing, completing, re-completing, correcting or improving any work or service undertaken or provided by You. There is usually a limit to the cover e.g. \$25,000 for any one rectification or an annual aggregate limit may apply e.g. \$75,000.

ARE ALL MY STAFF COVERED TO THE FULL EXTENT, FROM APPRENTICES THROUGH TO ME THE BUSINESS OWNER?

For employees, as a general rule, yes, it is advisable however that you read the definition of “Insured” in your policy wording to be certain. The use of contractors needs to be specifically stated.

ARE MY EMPLOYEE'S OWN PERSONAL BUSINESS TOOLS COVERED UNDER MY BUSINESS POLICY?

Motor Trade specific insurance products can offer Fire and Perils and also Theft cover for Employee's Tools. Cover is usually capped at a fixed sum for any one loss and also for the value of any one tool. E.G. \$7,500 for any one loss/event and up to \$1,500 for any one tool.

WHAT COVER DO I NEED FOR PROVIDING ROAD WORTHY CERTIFICATION?

It is important that the Business Description/ Insured Business as stated on your policy schedule describes your activities in full; therefore providing clarity about what activities the business engages in.

Motor Trade Pack policies do include the inspection of Vehicles, reporting on the condition of Vehicles, the provision of advice on the road worthiness of Vehicles, and the recommendation of/for repairs and/or Parts and Accessories required to/for a Vehicle, plus the issuance of documentation to facilitate the registration of Vehicles or their transfer of title.

The General Liability/Public Liability section of the policy will respond to allegations of “negligent” actions or conduct relating to these matters.

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INSURANCE & FINANCIAL SERVICES

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HOW DOES INSURANCE RESPOND IF I AM DRIVING AN UNROADWORTHY VEHICLE?

Generally cover is excluded; however if you can prove that the unroadworthy condition could not reasonably have been detected by you or that the loss, damage or liability that has occurred was not caused by or contributed to by the unroadworthy or unsafe condition; cover may apply.

AS A BUSINESS OWNER, WHAT INSURANCES ARE AVAILABLE TO ME THAT RELATE TO STAFFING MATTERS? E.G. ALLEGATIONS OF UNFAIR DISMISSAL, BULLYING OR EVEN STAFF STEALING BUSINESS STOCK OR FUNDS?

The most commonly purchased cover that responds to incidents of this nature is Management Liability Insurance, often simply referred to as M.L. This policy provides protection relating to matters of:

- Occupational Health and Safety
- Fidelity/Crime Claims – e.g. Misappropriation of funds, altered payments etc.
- Wrongful Termination
- Harassment or Bullying
- Statutory Liability – e.g. allegations or charges under the Environment Protection Act
- Tax Investigation
- Crisis Containment

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AM I COVERED IF ONE OF MY CUSTOMER'S VEHICLES IS STOLEN WHILST IT IS UNLOCKED OR EVEN WITH A KEY IN THE IGNITION?

These covers are often offered as an “Optional Benefit” meaning that they need to be requested and may not form part of a standard policy. Check your policy Schedule to see if these have been included.

OPERATING A PARTS RETAIL BUSINESS, WHAT ARE THE ESSENTIAL INSURANCE COVERS THAT I SHOULD CONSIDER?

Whilst we would always recommend that you protect your business as broadly as possible, the bare minimums you should consider include:

- Fire and Perils
- Business Interruption
- Burglary
- Public & Products Liability
- And the necessary cover extensions to protect you if you are an importer or wholesaler of any stock.

Management Liability and Cyber Liability covers should also be considered – suggest discussing these with an insurance broker, to understand their real value.

Please note that the information in this document is a guide only and it is best to discuss your specific insurance requirements with your insurance broker.

