



Current Articles 2001 – December

Snowplowing

Many of your clients may drive a SUV or small truck that is capable to be equipped with a snowplow blade. Some of your clients may spend \$6,000. To \$8,000. and have a snowplow blade added to their vehicle. If this is an existing client whose auto policy is rated for "pleasure use" only, there is a serious material change of risk that could cause a denial of a claim. If a new client is applying for insurance and does not disclose the "business use" for the snowplowing, whether it be full time or part time snowplowing, this would constitute a misrepresentation and the insurer could cancel the policy " ab initio" and deny any claims.

The other problem is whether the addition of this expensive piece of attached equipment would be covered for physical damage? Should the policy be re-rated to include this increase in value to reflect the attached machinery? How will the snow plow blade be covered in the summer months, when it is detached from the vehicle?

If snow plowing services are required for schools, large commercial areas, municipal properties, it is usual that a tender will be required and accompanied by a certificate of insurance indicating limits of liability of \$2,000,000 to \$3,000,000 or higher for both an auto policy AND a Commercial General Liability policy. Your client, who is trying to earn a few extra dollars, will probably not venture into these larger and multi-location entities. Your client may offer to plow his own church parking lot, a small apartment building lot or the neighbourhood small plaza lot. His price may be lower (for cash) and the owner of the property may not inquire or ask for confirmation of insurance coverages.

It may be considered a broker's responsibility to alert clients, particularly those with vehicles that can accommodate a snow plow blade as to the potential problem if such a change in risk is not disclosed. A broker should also recommend that a CGL be effected for a snow plowing venture. What if the plowing is not adequate and a "slip and fall" fall occurs later? The auto policy will not respond. If a snowplow piles snow up to a considerable height and which attracts the interest of small children to climb, this may be considered an "attractive nuisance" and any injuries to children who may fall from the snow piles may also be the responsibility of the snow plowing.

Both of these examples are "completed operations" claims and can only be addressed by a Commercial General Liability policy.

It may also be in your best interest to warn clients , such as churches, apartment building owners, etc. of the need to make sure that the snow plowing services are properly insured. If a claim occurs after the plowing has been completed, the "Occupier's Liability Act" may make the owner or occupier liable for the injuries. Although, the insurer may subrogate against the "private" snow plow operator, the attempt may not be successful. In this scenario a claim will be paid from the property owner's policy and , of course, should not be the responsibility of the owner or tenant.

May I wish you all the very best for the coming holiday season and a very prosperous New Year.

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