

Why the BAP and CGL Should Be Written by the Same Insurer

By Gary Sorenson, CEA, CLCS, PLCS, President,
Insurance Brokers of Minnesota, Inc.

Abstract

A tree trimmer has his Comprehensive General Liability (CGL) policy with one insurer and his Business Auto Policy (BAP) with another one. There is an accident involving his bucket truck so, of course, each insurer is pointing at the other one for coverage. This and other situations illustrate why it is usually a good idea to insure both policies with one carrier.

Q.

"Small claim but a royal pain. Tree trimmer has a bucket truck that was shifted by wind and it started to sink into the ground on one side, causing it to hit a corner of the pool cage. \$1,700 total claim.

The ISO form CGL is stating it is an auto and therefore not covered, the auto carrier is stating it is mobile equipment and therefore not covered. The auto carrier has agreed to pay half if the GL carrier will also. GL carrier says great, their share is \$850 and it is a \$1,000 deductible, so no recovery. Auto carrier says the GL carrier must agree to pay or they won't. Auto carrier has a \$500 deductible, so the insured may get \$350 from them. Both carriers tell me they have no way to properly insure this loss. Any suggestions?"

A.

Two observations. First, this is a textbook case of why you should try to put BAP and CGL with the same carrier. Second, the claim is either covered by the BAP or not; no 50% deal. Same for the CGL. Assuming the bucket truck was not moving down the highway and was set up for work (raising the workers up and down), it sure looks like a CGL claim to me. See the policy wording below:

This exclusion does not apply to:

(5) "Bodily injury" or "property damage" arising out of:

(b) the operation of any of the machinery or equipment listed in Paragraph f. (2) or f. (3) of the definition of "mobile equipment".

f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

While driving down the road, a bucket truck claim is a BAP claim. Once set up for operation, it's CGL. While a motor vehicle is not subject to MV laws, apply.

If your business involves the use of attached equipment you very likely have a coverage issue or at least a claims hassle in the event of a claim if you DO NOT insure both your CGL and BAP with the same insurance company.