



Plow Away Snow-Removal Risk



Snow removal can be complicated. Not every state or locale has laws regarding snow removal, but among those that do, the regulations can vary significantly. Most consequential, however, is that each state assigns different levels of liability to snow removal companies.

Some do not hold snow removal contractors responsible for third-party injuries suffered *after* snow removal, while others transfer full or at least partial responsibility to the snow removal company both during and after the snow is cleared.

Even if your liability is minimized, it is never completely eliminated. That means commercial general liability insurance is among the most important policies your snow removal company needs.

This insurance helps with the cost of defending your business against claims of property damage or physical injury caused by your company, either at your own offices or at a client's property during snow removal. Depending on the policy, coverage may also apply even after the job is complete.

If your company is ultimately found at fault, the policy also helps with the cost of any awarded damages or medical expenses.

Confirm with your insurance professional if you need to add a specific snowplow completed-operations endorsement to your policy. This addendum, called an endorsement by insurers, extends liability protection to incidents that happen *after* you've finished removing the snow and are not even on the property. For example, an endorsement would kick in if someone slips and falls in a parking lot you've cleared or a pile of snow you pushed to the side causes physical damage to something.

Also make sure your policy covers rooftop snow removal if that is a service you provide, as that activity poses special risks.

Beyond liability

In addition to liability protection, your insurance checklist should include:

Commercial truck/auto

This type of policy covers vehicles, snowplows or equipment used to haul vehicles to your work site. If you have several vehicles, your agent or broker will talk to you about fleet insurance, which is an efficient way to cover all your vehicles on one policy.

If your employees or subcontractors use their own personal vehicles for snow removal, it is important to understand that their personal auto policy does not apply to business use. You can add hired and non-owned insurance to protect your employees' personal vehicles, and you should require subcontractors to provide their own proof of insurance with liability levels at least equal to your own limits.

Be sure to discuss with your insurance professional any detachable equipment, such as snow blades, to ensure it is included as well.

Of additional note: It is common for landscape companies to augment income in winter months by plowing snow. Do not assume your current vehicle insurance extends to snow removal jobs; you should confirm adequate coverage with your insurance professional.

Commercial property

Whether you own or lease a business space or operate your business from home, commercial property insurance helps with the cost of damage or loss of physical assets owned by the business. This includes computers and technology, tools, furniture and other possessions. Losses related to theft, vandalism, fires, storms, explosions or burst pipes are typically covered, while those caused by earthquakes, floods or wildfires require an add-on policy specific to those perils.

You may want to add other coverages to your commercial property policy as well, depending on your business model. As examples, you may want equipment breakdown insurance to cover the repair or replacement of specific valuable equipment due to an electrical or mechanical issue, and business interruption insurance to replace income lost during a forced halt in operations due to a covered physical loss.

Talk to your agent or broker about off-season use and storage of your equipment as well.

Errors and omissions (E&O)

Also known as professional liability, this type of policy protects you if someone accuses you of making a mistake that costs them money or harm, including issues related to negligence, errors in service provided, omissions, misrepresentations or inaccurate advice.

As examples of potential E&O claims, perhaps your employees failed to show up at a client location following a snowfall or they failed to clear all required surfaces, making it impossible for a client to open for the day. While general liability would not cover these instances because third-party physical damage or personal injury did not occur, E&O coverage could apply.

Workers' compensation

Most states require employers to carry workers' compensation insurance. Depending on the number of employees you have, you may need to purchase this insurance to provide for medical expenses and/or lost wages caused by a workplace injury. Note that if you use independent contractors, you need to consult a labor lawyer as well as your insurance professional, since the government is cracking down on misclassification of workers. Depending on how you structure your relationship with contract workers, you could be considered their employer — even if for a very short period of time — and you might need to include them on your workers' comp policy.

Umbrella insurance

There is always risk of a loss greater than your policy limits. To protect against catastrophic loss, an umbrella policy can provide backup protection by picking up where your primary insurance leaves off. An umbrella policy cannot be used as a replacement for primary policies, but it does allow you to control costs by maintaining lower primary policy limits without leaving yourself exposed, should a large liability claim occur.

Customize your options to get the right coverage

As a snow removal company, you have several options for how to insure your business. The policies discussed above are traditional methods, but there are more innovative products that you may wish to consider.

One is an insurance program specifically designed for snow removal (and lawn care) companies. An insurance program typically bundles multiple coverages for a client so you don't have to build a full suite piecemeal. There are also business owner policies and insurance package policies that achieve a similar outcome — the fullest protection assembled into a suite specifically for your needs.

Talk to your agent or broker about these options since they are designed to be highly effective and affordable.

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