

On Hook/Cargo Insurance...Do I have enough coverage?

What is On Hook/Cargo coverage?

"On Hook" insurance provides coverage for cargo in the course of loading, unloading, or transporting that cargo. "On-hook" insurance normally pays to repair or replace a vehicle you (the towing company) do not own if it is damaged by a collision, fire, theft, explosion or vandalism while you are towing or hauling. However, there are no "standard" forms for "on hook" insurance. Some forms are issued on a "legal liability" basis. This means the tower must be somewhat liable for the damage to the goods. A vast majority of towers request this form because they do not want their policy paying for damages they did not cause. Most "on hook" forms cover goods other than autos. This is very important if you have a flatbed or Low-Boy trailer and intend to move a fork lift or other piece of machinery. The move will may not be covered by a garage keepers policy but most likely by an "on hook" policy.

Do I have enough On Hook/Cargo coverage?

Now that we have established what on hook insurance is..how do you know if you have enough coverage? If you have an operation that moves salvage cars worth very little, then lower limits(\$25k or \$50k) will suit. What if you have bigger trucks that move multiple vehicles of different values at once? All you need to do is establish an approximate value for each vehicle you're moving and add up all the numbers. Now, compare that number to the limit on your insurance policy. If the total value of the vehicle(s) your hauling is greater than your amount of coverage, immediately call your insurance company and ask for higher limits! Certain insurers cap or limit the amount of "on hook" coverage they offer. To establish vehicle values its recommended you use an updated book or website that specializes in calculating vehicle values.

To find out more about On Hook/Cargo Insurance and tow truck insurance call UIS Brokers East Ltd. @ 1-800-258-2571

By Jonathan Madio, Account Executive