

## Give your employees an extra benefit

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Body shop owners would like to provide the richest, most liberal employee benefit program available — as long as it is cost effective. What business owner doesn't take pride in providing a productive working atmosphere? With today's employee benefit costs, however, that is extremely difficult.

Well, here's an "employee benefit" that body shop employees are bound to appreciate — and it won't bankroll *the* body shop. Insurance coverage for Employees' Tools. We all know how valuable these filled Snapon Tool boxes can be. What many shop owners may not realize, however, is that the shop's property insurance coverage for fire, theft, etc., may provide a very limited amount of coverage for employee's tools, and in certain cases no coverage at all.

Looking *at* the standard property insurance policy, the "special form," we find our answer. Under the coverage extension "personal effects and property of others," it tells us that the shop may extend the insurance that applies to the business (in other words—the business personal property limit) to cover "personal effects owned by your employees." However, the extension explains further that "the **most** we will pay for loss or damage is \$2,500" for each occurrence. That is the total available. That is not a limit per employee. That \$2,500 is the maximum amount available for stolen tools, for example, for all employees.

There is a solution, however, and not only will it be

viewed by your employees as an additional "employee benefit", but the cost of the coverage is very inexpensive.

### The beneficial solution

The coverage is called "personal property of others." Your insurance agent must specifically assign the coverage on the policy. What is the total amount of tools owned by your employees that are at the shop? Be careful when setting the property insurance limit to buy, since property policies have an insurance-to-value clause stating that the property limit purchased must equal a pre-determined percentage of the real value at the time of the loss. Be aware that this coverage will apply only to employees property at the shop location. Should those tools leave the shop on a regular basis, it may be more appropriate to purchase a different equipment policy.

Recently, we expanded one of our garage client's property policies to cover the employees' tools and equipment. The coverage purchased was \$150,000 for an annual premium of \$200.

This is a wonderful way to enhance the shop's employee benefits and employee relations without foregoing a major percentage of your profit margin.

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