

Insurance implications of first party delivery

COVID-19 has had an unprecedented impact on Florida's hospitality industry. Restaurants and hotels are facing new challenges amidst restrictions and safety guidelines, including social distancing. To maintain revenue, some members are shifting to a delivery based model. This FAQ addresses some of the insurance implications of doing so – namely, “does the restaurant have coverage for employees using their own vehicles to deliver?”

We have also included contact information for several FRLA Insurance Council members that are available to discuss these elements further.

It is important that you at least think about these things as the most dangerous situation for you would be to assume that you have coverage.

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Should I just assume insurance is going to cover my new delivery activities?

Absolutely not! Unless you addressed delivery during your insurance selection process, there is a good chance that delivery activities are not covered.

Does our COMMERCIAL AUTO POLICY cover employees using their own vehicles to deliver food to our customers?

First, not all restaurants maintain a commercial auto policy, so if you are reading this question wondering whether you should have purchased a commercial auto policy, the answer is: not necessarily.

But if you do maintain commercial auto coverage, the answer to the question is: maybe. There are three things you need to check:

1. [Which symbols are reflected on your policy;](#)
2. [Whether there are any conditions, exclusions, definitions or other policy language that may address delivery;](#) and
3. [The representations you made on your application for insurance](#)

The easiest thing to do here may be to contact your current agent to discuss, or contact one of the FRLA council members, including those listed in the contact section of this FAQ.

The next three questions address the three points above if you are going to tackle this review yourself.

Where do I find my Commercial Auto symbols and what do I need to confirm?

Your policy is divided into separate parts. You want to search for the Declarations Page. Within that section (which may include multiple pages), you want to find the Coverage Schedule or Summary, which is usually presented in a table format. This table lists the coverages and the associated limits, as well as the symbols which indicate what type of vehicles are included in the coverage.

The symbols you are looking for are 1 "or" 8 and 9. If you have one of these, you need to move to the next step of confirming coverage on your auto policy. If you do not, you can contact your agent to discuss or move on to [reviewing your general liability or businessowners policy](#).

The symbols and their meaning:

Symbol	Definition	Description
1	All "Autos"	Broadest symbol available. Includes both symbols 8 and 9.

8	Hired "Autos" Only	<p>Only those "autos" you lease, hire, rent or borrow. This does NOT include any "auto" you lease, hire, rent or borrow from any of your employees or partners or members of their household.</p> <p>Check policy for physical damage coverage.</p>
9	Non-owned "Autos" Only	<p>Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners, if you are a partnership, members, if you are an LLC, or members of their households, but only while used in your business or your personal affairs.</p> <p>Coverage is for Liability only. Does not pick up damage to the non-owned vehicle.</p>

Does my commercial policy wording address delivery?

You should read your policy...but not all are drafted in the easiest to read format. (Insurance policies continue to make it on the list of "least read bestsellers"). If you don't have the patience or time to read through this in the current crisis, call your agent or one of the Insurance Council members to work with a professional.

But you need to confirm there are exclusions or other policy limitations related to delivery.

While the correct symbols may be represented on your schedule of coverages, the devil is in the details. And those details are found in the rest of the policy language. In short, your policy may exclude coverage somewhere in the language.

If you are not sure where to look to determine all of these things, please call your current agent or insurance company or reach out to one of the FRLA Insurance Council members listed here to have them conduct a policy review for you.

I have confirmed the symbols are confirmed and I don't see any coverage exclusions or limitations, what else?

This is particularly relevant if your restaurant does not normally deliver: check your application. Make sure the answers you provided to the questions are still true.

If there were any delivery questions on the app, and you answered that you do not perform any delivery, you will want to address this with your agent and insurance company. Many companies are making exceptions to their normal standards at the moment – but you will want

this in writing. You will want to receive some indication that your insurer knows you answered the app the way you did and is accepting your current plans to shift to delivery in order to maintain your business. Absent this confirmation, you are at risk of an employee's accident while on a delivery call not being covered – which can obviously be devastating.

Does our GENERAL LIABILITY or BUSINESSOWNERS POLICY cover employees using their own vehicles to deliver food to our customers?

If your restaurant maintains commercial auto coverage and you haven't already read it, see the section about [checking your commercial auto policy](#).

In regard to general liability or businessowners policies: it depends.

Check your policy for coverage called "Hired and Non-Owned Auto", "Drive Other Car", or something similarly named (unfortunately it can be difficult to advise exactly what your insurer may call it as it can go by a couple of names, including names your insurer can make up on its own).

Without, these forms being listed on your policy, the chances are strong that you do not have the coverage.

Of course, even with the coverage in place, it is important that you read the entire insurance policy to understand the relevant conditions, exclusions, definitions, and limits of your particular policy. There are many versions of insurance policies in the market and they are put together by each insurer out there who uses different coverage elements to underwrite and price risks in accordance with market demand. The longer you have been seeking to reduce costs at each renewal period, the more likely at some point you accepted a policy or two with narrower coverage.

Review your application or discuss the change in activities with your agent or insurance company: If there were any delivery questions on the app, and you answered that you do not perform any delivery, you will want to address this with your agent and insurance company. Many companies are making exceptions to their normal standards at the moment – but you will want this in writing. You will want to receive some indication that your insurer knows you answered the app the way you did and is accepting your current plans to shift to delivery in order to maintain your business. Absent this confirmation, you are at risk of an employee's accident while on a delivery call not being covered – which can obviously be devastating.

If you are not sure where to look to determine all of these things, please call your current agent or reach out to one of the FRLA Insurance Council members listed here to have them conduct a policy review for you.

Where do I look on my general liability or businessowners policy to see if employees using their own vehicles is covered?

On your Declarations Page, there should be a list of documents that are referenced as being attached to your policy. You should look for the reference to Hired & Non-owned Auto", "Drive Other Car", or something similar in this list.

If you are not sure where to look to determine all of these things, please call your current agent or reach out to one of the FRLA Insurance Council members listed here to have them conduct a policy review for you.

What about employees getting injured in an auto accident while on a delivery run?

Employee injuries which occur on the job or while performing business activities, are covered by Workers Compensation. However, given the shift in activities this FAQ, you will not want to assume the coverage is "just there" for workers comp either. You will need to check your policy to ensure Delivery is a listed / rated employee class, as you may run into similar problems outlined in previous sections in regards to what the insurer believed it was insuring when there was no delivery in your operation versus what it might be insuring now that there is delivery.

If you are not sure where to look to determine all of these things, please call your current agent or reach out to one of the FRLA Insurance Council members listed here to have them conduct a policy review for you.

What would our employees still be responsible for?

Typically the coverage that you afford employees in scenario like this is what is known as "excess coverage". Which means, excess above whatever coverage the employee maintains on their own vehicle. Sometimes insurers have an underlying requirement for the employees, and we've seen a lot of cases where these underlying requirements are quite high relative to what the average delivery employee can maintain. These are crucial details to pay attention to in scenarios like today.

If you have not confirmed coverage with your employees in some time, now may be a good time to do so to avoid any coverage gaps or worse, any situations where an insurer may have contractual rights to deny coverage should an accident occur.

The FRLA Insurance Council members listed below are working with several insurers to broaden this requirement during the crisis, recognizing that coordinating all of this in a short period of time may be impossible. Even if possible, compounding the coverage questions with requiring

your employees to increase their coverage may not be the most reasonable condition in the current environment.

What if I have checked all of my policies and still not sure whether I have the coverage or not?

Ask your agent or insurance company to help you. Alternatively, the FRLA organizes and manages an Insurance Council. You may reach out to any of them that specialize in Property & Casualty insurance to ask for a coverage review.

We know the agencies listed in the next question are working around the clock to coordinate solutions specific to the rapidly changing activities in the market due to Coronavirus.

What standards / procedures do I need to implement before letting the drivers go out?

It is a best practice to install a Delivery Driver policy and to establish your own Safety standards, regardless of how short-term the need to perform delivery activities is. That said, given the circumstances, you may not have the time.

Your agent or one of the Insurance Council members should be able to assist in this matter, with ready-to-go forms for your employees to sign and standards for you to try to implement. Several agencies even have relationships with drive-tech companies that can help you ensure your drivers are behaving while on the road.

Who are the FRLA Insurance Council members with standalone Hired & Non-owned Coverage?

Erwin Insurance Agency®	Florida Hospitality Risk Advisors
Janet Ellis, CISR Elite	Tony Davenport
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Northeast Florida Chapter	South Florida Chapter
Fleming Island	Palm Beach Gardens & Key West
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