

LOSS LESSONS

in Trucking and Agribusiness



Scheduling Your Equipment

Insurance Coverage:

At the time of your last renewal, you realize you're late getting the paperwork completed and submitted. You decide to guesstimate how much your trucks and trailers are worth so you can finalize everything, and write those values (\$30,000 for the truck and \$20,000 for the trailer) on your equipment schedule. After all, you've never had a claim, and you can always change the schedule later if needed.

Description of the Accident:

A few months after your renewal, one of your drivers returns from dropping off a load, parks a truck and trailer on your lot and locks it up before going home for the night. Unfortunately, your driver had been smoking and some of the embers landed unnoticed on the floor of the cab. These embers ignite the floor of the cab, and the whole truck and trailer is engulfed in flames before the fire department can arrive on-scene to put it out.

The Claim:

You call the insurance carrier immediately upon being notified of the accident. A claim is set up, and a local adjuster is out there the next day to inspect the damage. Both the truck and the trailer are deemed total losses.

Soon thereafter you're reviewing your maintenance records and realize you had just put a new engine in the truck along with other upgrades, which you believe would have increased its value on the open market to the \$45-\$50K range. You call your assigned claim adjuster to let him know, and unfortunately find out that the most that can be paid for the truck is \$30,000, because that's what was listed on the schedule prior to the date of the loss.

The Lesson:

Always take the time to carefully research equipment values via reputable internet sites before determining reasonable dollar amounts to list on your equipment schedule. These amounts don't have to be exact to the penny, but you want to try to get them as close as possible so the insurance carrier can pay approximate market value if you should ever have a serious claim. Focus on equipment listings that are the same make, model, year, approximate mileage, condition, etc.

If you're not sure what your equipment is currently listed at or would like to make any changes, please contact your Cline Wood Account Manager at ph 888-451-3900 and they will be happy to assist.

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