

Does your organization, business, or event have the proper insurance, licensing and training to operate a courtesy shuttle service for people and their property?

Q. I pick up hikers and bring them back to their cars. Doesn't my personal auto insurance cover my passengers and their equipment in an accident?

A. No. All insurance carriers conduct an investigation once a claim occurs. The personal automobile policy excludes liability arising out of the use of the insured vehicle in a business.

Q. Our small non-profit has volunteers using their own vehicles to drive people and their equipment. Aren't they responsible for their own insurance?

A. No, if under the direction of the non-profit then the non-profit organization is responsible for their action and would be named in a lawsuit under the theory of respondent superior. In fact, the volunteer's coverage would likely be secondary.

Q. Our organization is having an event and we are renting a vehicle to move people, doesn't the insurance they sell cover our activities?

A. Yes, the insurance the rental company offers will cover you in case of an accident. The coverage they offer, however, is usually for the state minimum limit, which may not cover you fully depending on the severity of the accident. It would likely exclude coverage to any personal property of the passenger because it would be in the care, custody and control of the organization.

Q. We are having an event where we are moving our program participant's equipment from Point A to Point B using a rental truck. Doesn't our general liability insurance cover us? What about the insurance they sell us?

A. No. General liability only covers your passengers for non-driving accidents, not their equipment. An example of what general liability would cover is if a passenger fell while walking on your property because you created an unsafe condition. General liability coverage excludes property of others that is in your care, custody and control. You would need Carrier Cargo Coverage to insure the equipment you are transporting, which is not a coverage offered under the auto liability policy.

Q. What kind of driver's license do I need to drive a shuttle van? What about hauling other people's property?

A. A chauffeur's license is required for 13 or less passengers or any amount of property. Fourteen or more passengers requires a Commercial Driving License.

Q. What about contracting out people and equipment shuttling?

A. Ask for the contractor's ACORD statement indicating the level of coverage on their vehicles, carrier cargo coverage, and general liability to make sure it meets your organization's standards. If they do not have insurance and there is a claim, or organization will likely be named as a respondent superior.

Q. We own and operate a small business. On the side, we shuttle canoers and their equipment. Doesn't our business liability or our auto insurance cover us?

A. In order to be covered correctly, you would need to purchase commercial auto liability for the shuttle side of the business. Your business liability or personal insurance would not cover your vehicles if they were to get into an accident.

Q. Are there any vehicle licensing requirements or safety checks required by the State of Michigan to shuttle people or equipment?

A. Yes. If you are shuttling people or equipment, whether or not you are charging a fee, each vehicle must be inspected by a qualified mechanic and each vehicle that shuttles people must have a limousine permit from the Michigan Department of Transportation. Local ordinances may apply as well.

In today's litigious society, a business or non-profit must practice due diligence in making sure their volunteers and staff are properly trained, licensed, and all vehicles are properly inspected, permitted, and insured.

Common answers to questions about insurance provided by:



For more information, call 269.275.3638 email Trailspotters@gmail.com