Closing the Gaps - Insurance Review for Pet Services Professionals

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Most professionals working in the Pet Services Industry today are aware of the need to be insured. But it is one thing to say you are insured and quite another to be completely covered for all your exposures. The following is a summary of the various coverages pet services professionals should consider to be adequately covered, along with claims examples to demonstrate what can happen.

General Liability Insurance

General Liability Insurance protects your business against liability claims for bodily injury and/or property damage arising out of use and ownership of your premises, your business operations, and your products and completed operations. It also includes minimal coverage for personal and advertising injury. Most all general liability policies carry varying limits of liability which is the amount of coverage you have under your policy. A typical policy will include limits such as follows:

- $2,000,000 General Aggregate
- $2,000,000 Products/Completed Operations
- $1,000,000 Personal & Advertising Injury
- $1,000,000 Each Occurrence
- $100,000 Fire Legal or Damage to Premises Rented to You
- $5,000 Medical Payments

The General Aggregate is the total amount of coverage you have under the policy. In the coverage limits example above, the Each Occurrence limit is the total amount of coverage you have for any one occurrence (claim). You could conceivably have two $1,000,000 paid claims before you would run out of coverage.

The Products/Completed Operations limit, sometimes misunderstood, covers your business against liability claims arising out of your products and covers your completed business operations conducted away from your premises, e.g., if a product sold by a retail pet supply store were to cause injury to a person or pet. Even though you may not manufacture the product, you can still be held liable as the seller of the product if it causes injury. For a pet sitter that does not have a tangible product, coverage exists under the completed operations piece of this coverage, e.g., if a pet sitter was scheduled to take care of a pet for a weekend and failed to show up which then resulted in the pet needing vet medical attention and/or the client's home being damaged.

Personal and Advertising Injury under a general liability policy provides coverage for wrongful eviction, advertising injury, and oral or written publication that violates a person's right of privacy including offenses such as libel, slander, invasion of privacy, and copyright infringement. For a pet services professional, examples include if you were to slander your competition in an ad, steal an idea from another pet business advertisement or website, or write something in a blog that personally injures another. But be careful, intentional acts are often excluded from coverage, so if you intentionally set out to cause harm to someone or another business, don't expect your insurer to pay out.

The Each Occurrence limit is the maximum amount of coverage you have for a claim from any one single occurrence. For example, if a dog in your care attacks or bites someone, you would have up to $1,000,000 to pay for injuries to the victim as this would be a single occurrence.

Fire Legal or Damage to Premises Rented to You provides tenant liability for damage to a rented premises. Examples include if you were to rent a commercial space for your retail pet store operations or dog boarding facility and damage the space in which you rent like leave a coffee pot on and cause a fire, or the dogs in your care chew up the baseboards or damage the walls of the building.

The Medical Payments limit provides coverage, without regard to fault or liability, for medical expenses as a result of bodily injury sustained by a third party on your premises or arising out of your operations. For example, if you were a dog trainer, and a person in your training class were to slip and fall and sprain an ankle, this limit would provide coverage. There may or may not have been any negligence on the part of your business, but the insurer could cover the first $5,000 in medical expenses incurred for this claim. If later, the injured person were to sue the business, the insured would then have another $995,000 in coverage under the Each Occurrence limit. The Medical Payments limit is used by insurance companies to settle small medical losses quickly, but please note it is not the total amount you have to cover medical losses if you are negligent for bodily injury to another.

Animal Bailee, Professional Liability & Care, Custody, or Control (CCC) Coverage

Under a standard unendorsed general liability policy, coverage for pets and personal property of others in your care, custody or control is typically excluded. If you are a pet sitter, dog walker, dog trainer, dog boarding facility or daycare owner or pet groomer or provide any service where you take care, custody or control of a client's pet, it is extremely important that you purchase a general liability policy which includes an endorsement covering the pets in your care. Please be aware that each insurer may have a different name for this coverage - Animal Bailee, Animal Floater, Pet Groomers or Kennel Professional Liability, Property Damage Extension, Kennel or Animal Extension, etc., and each of these forms differ in the amount of coverage they actually provide. Some insurers will have both an Animal Bailee and a Pet Groomers or Kennel Professional Liability coverage form, and it still may not cover your business completely!

For example, if you are a pet sitter and take care of clients' pets in their homes while they are out of town, you also have all of the client's personal property in your care in addition to their pets. If you only have an Animal Bailee coverage form that does not give back coverage for client's personal property in your care, custody or control, then you could have a very big gap in your insurance coverage. Be sure to consult with your agent and review this coverage form.

Also, please be aware of vet medical expense coverage, which covers the pets in your care, regardless of fault. Animal Bailee forms can give a sub-limit of $1,000 to $5,000 or more for vet medical expenses while other forms give none. If you want coverage for claims such as a dog ingesting a rock, stick or toy, or a dog jumping out a car window, you will want to make sure you have an adequate limit for vet medical expenses.

Animal Bailee/Care, Custody or Control claims are by far the most frequent type of claims that occur to pet sitters, dog walkers, pet trainers, and pet boarding and daycare owners. Examples include:

- Client's dog got away from the kennel employee and ran into the road, where it was hit by a car.
- Dog in dog walker's care ingested a foreign object while on a walk. Foreign objects include acorns, rocks, sticks, toys, clothing, balls, medications, etc.
- While boarding a client's dog in their personal home, the sitter's dog attacked and injured the client's dog.

- Pet sitter damaged client’s furnishings at client’s home. Examples include broken clock, vases, tables, etc.
- While in training class, two dogs got in a fight and both required vet medical attention.
- Sitter damaged a rug with bleach while trying to clean up dog urine in client’s home.

What to do in the event of a general liability claim:

1) If it is a bodily injury claim, immediately seek medical attention for the injured person(s)/pet(s). If the client’s property is damaged, take photos of the damaged property and do what is necessary to prevent further damage to the property.
2) Secure names, phone numbers and addresses of all injured persons, other parties involved, and all witnesses to the accident.
3) Contact Business Insurers of the Carolinas at 1-800-962-4611, or your insurance agent/company if insured elsewhere.
4) Never discuss your claim with outside parties or on the internet or social media while the claim is open/ongoing.
5) Keep all information/photos/receipts etc. together/available to provide to the claims adjuster upon request.

Commercial Property Insurance

Whether you own or rent a dog daycare, pet boutique/pet supply shop, training facility, or grooming salon you likely have had a need for commercial property insurance. Commerical property insurance covers your business property if it’s damaged by fire, wind, hail, back-up of water or drains, vandalism, weight of snow and ice, theft and other included perils. They typically do not cover floods or earthquakes. Most commercial property policies or business owners policies will provide coverage for buildings (if owned or required by lease), business personal property (including furniture, fixtures, inventory, computers/EDP, equipment, etc.), fencing or outdoor property, business income and extra expense, and equipment breakdown. If written on a business owners policy, you will typically find many more coverages thrown in including employee dishonesty, money and securities, and valuable papers to name a few. Animal Bailee coverage can also be included under a commercial property or business owners policy.

Commercial claims examples include:

- A pipe burst causing water damage to the interior of a dog daycare
- A burglar broke glass and gained entry into a pet store, stealing merchandise and cash from the interior office.
- Wind caused a tree to fall on the fence to outside play area
- Fire broke out at a client’s boarding facility, causing damage to the interior of building and its contents. Multiple dogs passed away and others suffered smoke inhalation.
- Thunderstorms with wind gusts over 50 mph caused roof damage to building

What to do in the event of a property claim?

1) If it’s theft or vandalism loss, contact the local police department to file a police report.
2) Protect the property from further damage or loss by securing the building or making reasonable repairs. Be sure to keep records of repair costs and retain receipts for reimbursement.

3) Make a video or take photos of the damaged property. *It is a good idea to keep a video recording and inventory list at another location (home, safe deposit box or second location) prior to the loss.
4) As soon as possible, contact Business Insurers of the Carolinas at 1-800-962-4611, or your insurance agent to report the loss, or report directly to the insurance company if they offer a 24 hour reporting line.
5) If you suspect fraud, be sure to alert the agent and/or adjuster.

Commercial Auto Insurance

If you are utilizing a vehicle to make deliveries of pets or pet products, driving your vehicle to and from your client's homes and/or using your vehicle as a pet taxi, you should be carrying a Commercial Auto Policy. Most personal auto policies limit you to no more than $250,000 in bodily injury/$100,000 in property damage, and only cover you personally. Commercial Auto policies offer higher limits and can cover the business and you personally as an additional insured.

Commercial Auto Insurance will cover bodily injury or property damage to a third party (person or vehicle) caused by your vehicle up to the limit you choose. A $1,000,000 limit is recommended, and is not much more than you would pay for a lower limit. Under the policy there is the option of Physical Damage Coverage which is first party coverage for your vehicle. It includes Comprehensive coverage for "Acts of God" such as wind or hail storm, hitting a deer, or theft of the vehicle and Collision Coverage for damage in which you are at fault and want repaired. An example claim would be if a dog in your car were to eat up the interior (seats/seatbelts) and you wanted it repaired.

Other coverage options include Hired & Non-Owned Liability Coverage. Hired liability would cover liability on a rented or "hired" vehicle. Non-owned liability protects your business should your employee(s) drive their own vehicle on behalf of the business. For example, if your employee is involved in an accident causing bodily injury to another while traveling from one client to the next, the employee's personal auto policy would be primary and pay the claim, but if they did not carry a high enough limit, the non-owned liability coverage would pay the remainder of the claim if the business is sued.

What to do at the scene of auto accident:

1) Stop immediately, but do not obstruct traffic.
2) Assist all injured parties and seek immediate medical attention as needed.
3) Contact police to file report.
4) Secure names, phone numbers, and addresses of all other drivers, witnesses and injured parties.
5) Secure make, model, and license numbers of all vehicles involved.
6) Make a rough drawing of the scene, showing the position of vehicles involved and list details of how the accident occurred.
7) Contact your insurance company directly to turn in claim.
8) Obtain copy of police report for adjuster to review.
9) Never discuss details of the accident with others or on the internet/social media while claim is open/ongoing.

Workers Compensation Insurance

Workers Compensation Insurance covers the employer for occupational injuries sustained by employees (and depending on state laws, independent contractors) for on-the-job injuries that occur “in the course of employment”. Injuries include a dog bite, occupational diseases that result from employment (e.g. Carpel Tunnel or Rabies) and employer’s liability that is excluded from employment (for example spouse or family member of employee sues, alleging employer negligence). If you, your employee (or in many states an uninsured independent contractor) is injured on the job, workers compensation is the exclusive remedy for on-the-job injuries . There is no coverage for injuries to you, your employees or independent contractors under a general liability policy.

A workers compensation policy includes coverage for medical bills and lost wages (after a short waiting period, usually seven business days) due to being out of work for a significant period of time.

Claims examples include:

- While playing with client’s dogs, one of the dogs jumped on the pet sitter and knocked her to the ground, causing injury to her shoulder and lower back.
- Dog trainer working with an aggressive dog, was knocked to the ground, injuring her back.
- Kennel employee was bitten on the hand while trying to separate two dogs in a play group.
- Employee slipped on wet floor and sprained ankle.
- Dog walker walking down steps to client’s backyard slipped and fractured bone in foot.

What to do in the event of a workers compensation claim?

1) Seek medical attention. If you are unable to move, call for assistance. Depending on the severity of injuries, utilize a medical clinic (preferably clinics that specialize in treating occupational injuries). If injuries are life threatening or more severe, call for ambulance and/or go to the emergency room.
2) Identify witnesses to the accident and obtain names, phone numbers and addresses.
3) Contact your insurance company directly to turn in the claim.
4) Never discuss your claim with outside parties or on the internet or social media while the claim is open/ongoing.