



## The Insurance Crisis

Countless towing and recovery businesses are having trouble securing insurance these days. Of those that can secure insurance, many are facing significantly increased premiums. This is a multifaceted problem facing the industry. TRAA has four tips for battling this crisis based on the feedback of our members:

### 1. Focus on Education

Liability is one of the largest factors in the current insurance market. It stands to reason that the more education your employees have under their belts, the less likely they are to be involved in a claim. Towing and recovery training, National Traffic Incident Management (TIM) Responder Training, and professional certification, such as the [National Driver Certification Program](#)<sup>®</sup>, have made the difference in some businesses being able to secure insurance or not. You can never gain too much knowledge!

### 2. Have a Plan

No matter how long you've been in business, many insurance companies are now requiring a formal business plan before offering coverage. A business plan is essentially a description of your business's current activity and a roadmap for the next 3-5 years. Your business plan should include an overview of the management structure, services offered, financial projections, and more. The [U.S. Small Business Administration](#) has tools to help you get started.

### 3. Safety First

You can never be too safe! Keeping both your knowledge base and equipment up to date with safety standards and protocols is essential. Insurance companies want to be sure your employees are following traffic incident management (TIM) practices, using high visibility and reflective clothing, safety cones, emergency lighting, ensuring drivers don't use cell phones behind the wheel and/or only hands-free devices where permitted, maintaining an appropriate driving distance from other motorists, etc.

### 4. Use a Broker

Members recommend using an insurance broker that represents several insurance companies. Don't pigeonhole yourself with only one insurance company if you can help it. Armed with your employee's education records, business plan, and an outline of your safety measures, your broker will be able to advocate with multiple insurance companies on your behalf to get the best coverage. Several members commented that their brokers were able to get them reduced premiums this year!

#### *Special Considerations:*

Being under-insured is almost as bad as not being insured at all. Be sure to review your policy thoroughly to confirm that you're covered appropriately. Best to know what your policy covers upfront instead of after the fact.