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Consumer Article:

“Riding Mowers . . . Are You Insured?”

When the wording in a new version of an insurance policy is changed there can be a significant impact on the coverage provided. This can happen even if just one word is added, changed, or deleted. As a case in point, this article will look at the coverage provided for a riding lawnmower under a 1991 vs. 2000 edition of the "ISO standard" Homeowners policy.

As indicated above, this article will look at the coverage provided (both property and liability) for a riding lawnmower covered under a homeowners policy written under the 1991 edition date, then written under the 2000 edition date. As a side note, the same coverage implications would apply for a 4-wheeler used to service the premises, or a golf cart used by the owner to service the premises as examples will show.

The 1991 homeowners policy states there is both property coverage and liability coverage for:

"[V]ehicles or conveyances not subject to motor vehicle registration which are used to service an 'insured's' residence;"

Clearly a riding mower is used to service the residence so, under the 1991 policy, if the mower is stolen there is coverage under property section of the homeowners policy, subject of course to the deductible. Likewise, if the insured (or his resident son, daughter, or wife) were using the mower to cut their yard and negligently ran someone over with the mower, there would be protection under the liability section of the policy.

It's important to note that the policy wording simply requires that the mower be used to service the residence. The form does not state that coverage applies, "while being used to service an insured's residence." Consider the insured who uses his riding mower (or 4-wheeler or golf cart) to service the premises as well as use it to go down the street to visit a neighbor. Regardless of where the claims takes place (even off premises on a public road) or how the mower were being used at the time of the occurrence, there would be coverage under the policy, again both property and liability. The reason for this is because the grant of coverage is for a vehicle "used to" service an insured's residence. There is no policy requirement that at the time of the occurrence the mower must be being used to service the residence.

As a further example, if the insured owned a 4-wheeler and used it to both service the premises and also for hunting at a hunt camp three counties away, there is a good argument for coverage even while the owned 4-wheeler is off premises. The insured could simply argue that the 4-wheeler was used at some time to service the residence and the policy does not require that it be used only to service the residence. While this whole concept may seem to be "splitting hairs" it's the exact type of analysis that goes on in courts, often resulting in coverage being provided where none was perhaps intended.

Enter the ISO Homeowners 2000 program, with the following property and liability wording concerning vehicles used to service the premises:

"We do cover 'motor vehicles' not required to be registered for use on public roads or property which are used solely to service an 'insured's' residence."

Note the addition of just one word: "SOLELY." While adding just one word may seem innocent enough, the coverage implications are huge.

So, what's the effect of this one word? It's simple -- the ONLY thing the riding mower (or 4-wheeler or golf cart) can be used for in order for coverage to apply under this portion of the policy is to service the insured's residence. (Coverage for golf carts and 4-wheelers can be provided under certain circumstances in other parts of the policy but those sections will not be analyzed here.) To illustrate the power of one word consider the following situations:

Joe owns a riding mower and cuts his two-acre yard with it weekly. His neighbor, Sharon, takes an extended month-long vacation each June. Just because he is a nice neighbor, Joe tells Sharon he will cut her yard with his riding mower during June because "it only takes about 20 minutes to whip out her small yard." While cutting Sharon's yard Joe injures a child passing through the yard. Or, even while cutting his own yard in March he injures someone.

Susan owns a riding mower, and uses it to cut her yard. However, from time to time her son, Billy, joyrides the mower (with the blade disengaged) around the two-acre tract. While cutting the yard Susan injures someone. Or, while Billy is joyriding with a friend on the back the friend is injured.

Harry owns a 4-wheeler and uses it mostly to service his premises -- haul hay, close the barn door at night, and turn off water pumps on his 10-acre tract. Each January, though, he takes the 4-wheeler to a hunting camp across the state and uses it during his week-long hunting vacation. While hauling hay on premises, or while hunting during the hunting vacation Harry injures someone while driving the 4-wheeler.

In all of these cases, no matter where the injury takes place and no matter how the motor vehicle is used, there is no coverage under the 2000 homeowners policy. Why? Because the vehicles in question were not used solely to service the residence. It's interesting to note that ISO could have made the wording say coverage applied "while being used to service the residence." That would have covered the on premises claims, even if the vehicle were used at other times for uses other than to service the residence. Instead the most restricting wording possible was used, and the end result is a huge change in coverage over the 1991 form.

To remedy the Section I coverage issue, a recreational vehicle policy could be written on a 4-wheeler or golf cart, but it's doubtful such a policy could be written on a riding mower or lawn tractor. Keep in mind, too, that riding mowers and lawn tractors can be of significant value. Again, under the liability section, a recreational vehicle policy can fill the gaps created for the 4-wheeler and golf cart. Remember too, the homeowners policy provides liability for golf carts under other parts of the policy, as it does for 4-wheelers. Outside of the coverage provided in those sections a personal umbrella policy could likely fill some of the liability gaps for riding mowers used, for example, to cut a neighbor's yard. As always, the disclaimer for all umbrella coverage issues is to read the form to check policy language.

One word -- solely. It can be a coverage killer!

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