

Loss Control Tips

Towing Operations

Owning and operating a towing business can be a very rewarding experience. After all, towing operations can help clear the road of damaged or disabled vehicles in a timely and effective manner when unexpected incidents occur. However, in addition to the risks common in every industry, towing businesses face unique liabilities due to the movement of vehicles and the presence of large, heavy equipment. That's why it's vital to establish effective loss control measures. This resource outlines common risks towing operations must address and offers helpful strategies to avoid possible claims.



Premise and Operations Liability

Towing operations are at risk of various liability concerns. For example, bodily injury, property damage or personal injury could lead to costly claims. Therefore, it's important for towing operations to take the following measures to limit their premises and operations liability:

- Confirm policies and procedures on who is permitted to retrieve customers' vehicles from the impound and storage areas.
- Ensure that parking lots and sidewalk areas are properly maintained to prevent slips, trips and falls.
- Establish a training program to properly educate employees on how to verify the correct vehicle is being towed and hitch automobiles—including hybrid and electric vehicles—to the tow truck.
- Implement an effective cybersecurity program to prevent cyberattacks. Precautions include ensuring up-to-date security software, data encryption and a secure point-of-sale system.



Auto Liability

Because towing operations require their own fleet of vehicles and employees frequently travel to different job sites, commercial auto exposures are substantial. In particular, employee injuries, costly property damage and potential liability issues between any pedestrians or other motorists involved. To minimize commercial auto exposures, towing operations should follow these protocols:

- Make sure all drivers possess acceptable driving records. Specifically, it's important to secure motor vehicle records (MVRs) for all drivers. MVRs should be updated annually.
- Provide employees with proper training on safe driving measures and vehicle loading procedures.
- Prohibit employees from using their cellphones while driving.
- Consider utilizing telematics technology within commercial vehicles to identify employees' risky driving behaviors (e.g., speeding and hard braking).
- Implement an effective vehicle inspection and maintenance program to help ensure that all commercial vehicles remain in good condition and are safe to operate on the road.
- Review all commercial vehicle and trailer characteristics (e.g., size and weight) to determine applicable Federal Motor Carrier Safety Administration (FMCSA) regulations. Routinely monitor compliance with FMCSA standards and make operational adjustments as needed.



Employee Safety

As an employer, it's essential to protect employees from illnesses and injuries on the job. Occupational risks of towing include significant exposure to back strains, sprains, hernias and slips, trips and falls. To prevent these and related illnesses or injuries, towing operations should implement these employee safety precautions:

- Ensure a written safety and health plan is in place, as well as a return-to-work initiative.
- Develop and implement a personal protective equipment (PPE) program that includes a hazard assessment and training on what types of PPE to wear and when they should be worn. This should include wearing high-visibility reflective hats and vests when working around passing motorists.
- Create a formal onboarding program for new employees. This should include training on how to complete job tasks safely and efficiently, how to deal with customer disputes and backup safety plans for unsuccessful first attempts for repossession of a vehicle.
- Educate and train employees on applicable state "breach the peace" laws regarding vehicle repossessions.



Inland Marine

Towing operations face many inland marine exposures, especially since vehicles and other moveable property are repeatedly transported.. Inadequate maintenance procedures and a lack of prevention protocols can result in equipment damage, which could lead to significant interruptions and costly repair or replacement expenses. Towing operations should consider these steps to limit risks:

- Keep a detailed list of workplace tools and equipment. Each item should include an identifying number, age, type and condition.
- Never leave tools out in the open. All tools and equipment should be in the vehicle or stored in a secure place.
- Add nonremovable labels to equipment to allow for easy and permanent identification.
- Implement security measures to prevent the unauthorized use of equipment. These measures can include locking equipment doors and hiring on-site security.
- Create a program requiring inspections of equipment prior to use. Ensure employees sign portable towing equipment in and out in a logbook.



Learn More

It's essential for towing operations to implement proper risk management precautions. Not only can such measures limit costly insurance claims and lawsuits, but they can increase customer satisfaction, bolster employee safety, decrease liability concerns and lower the potential for property damage.

Although this resource provides a range of loss control strategies, towing owners and operators don't have to establish risk management programs alone. Working with a qualified and experienced insurance professional can make all the difference. Contact us today to discuss insurance solutions and additional loss control techniques for towing operations.