

Is It A Piece Of Mobile Equipment Or Is It An Automobile? How Does Your Insurance Company Define What Is and What Is NOT Mobile Equipment?

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You'd think if it quacks like a duck and it walks like a duck, it's a duck! But this is insurance and the mobile equipment clause in your general liability insurance policy is confusing at best. Yes you have liability coverage under general liability policy for your mobile equipment.

Let's start with how an insurance company defines what an auto is. Remember coverage for your autos is **specifically excluded** under your general liability policy because you should have them covered under your business auto policy.

a: A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or

b: Any other land vehicle that is subject to a compulsory of financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" *does not include* "mobile equipment."

In other words if it is designed to drive on public roads, needs to be licensed in the state it is an auto.

Okay So What Is A Piece Of Mobile Equipment?

. Mobile equipment can be a vastly diverse group of things that might have wheels or crawler treads that you might own, or rent and use in your business. The simple description are things like backhoes, forklifts, bobcats, earthmovers, cranes, trailers, bulldozers, tractors, with mounted tools and equipment like compressors and cherry pickers; you name it.

Insurance company's **have their own definition, and as you might guess it is a long one. Below is a fairly standard definition that you will find in many policies. Yours might be different. So read your policy.** Mind you, your construction tools and equipment will not be covered under this policy. You will need to buy tools coverage in order to cover that exposure.

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

A: Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off roads.

B: Vehicles maintained for use solely on or next to premises you own or rent.

C: Vehicles that travel on crawler treads.

D: Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mount:

1. Power cranes, shovels, loaders, diggers or drills; or
2. Road construction or resurfacing equipment such as graders, scrapers or rollers;

E: Vehicles not described in a, b, c, or d, above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:



1. Air compressors, pumps and generators, including spraying, welding, building cleaning , geophysical exploration, lighting and well servicing equipment; or
 2. Cherry pickers and similar devices used to raise or lower workers:
- F. Vehicles not described in a, b, c, or d, above maintained primarily for purposes other the transportation of persons or cargo.

Note: You be careful if you transport people or cargo of any kind.

I want you to pay attention here; this is where it gets tricky. You might think it's a piece of mobile equipment but the insurance company is going to tell you it's an **AUTO!**

When A Piece of Mobile Equipment Is Defined As An AUTO!

Insurance contracts frequently take coverage away. Here is how the rest of that clause reads:

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos".

1. Equipment designed primarily for:
 - a. Snow removal
 - b. Road maintenance, but not construction or resurfacing or
 - c. Street cleaning.
2. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
3. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

Okay, like I said often these types of clauses give coverage and than...they **TAKE IT AWAY**. Remember where the "cherry picker was covered and now it's **not** covered. What gives? Here's the deal if the cherry picker or some other device is mounted on an **automobile or truck chassis it is considered an auto** because it probably requires a license by the state law. Think about it, you can drive it on public roads! **Note:** I'm not asking if the piece of equipment has a license. If it should have a license and you don't have it licensed for any reason, and the state requires a license, than your general liability insurance will not cover it, period.

Nothing in this endorsement is clear cut; here are a few more examples:

a: If the equipment is designed and used for plowing snow it is not covered. A truck with a snow plow on it is considered an auto. But a bobcat with a snow blower attachment on it that can be removed is mobile equipment, so you would have coverage.

b: Street cleaners: if the street cleaning equipment is mounted on a truck frame it is considered an auto and would not be covered. However if you have a removable broom mounted on a front of a backhoe it more than likely would be mobile equipment and would be covered.

Bottom Line: If you are not sure if it's a piece of mobile equipment or it's an auto call our office 800-452-6826. Better safe than sorry. Ask the question, if you are not sure!

