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What's in a name?

In today's compliance obsessed/driven environment, we are often seeing lenders and forwarders reach out to check in about new storage addresses not shown on certificates of insurance before an insured ever tells us about it. This can make for a somewhat awkward situation when an insurance provider has to tell a repossession agency's client that they can't add an address because the insurance provider didn't know about it. But a little information sharing and an inspection can be an easy fix.

Same can be said about your name. We are finding certain clients are being very specific about how a repossession company's name must be listed on a certificate of insurance – even down to how a name is abbreviated or punctuated. It is obviously important to the client, but why should it be important to you?

It can come down to the seemingly simplest of things, that can have a huge impact. Were you a sole proprietor when you started your business, and did you incorporate (adding an Inc. or LLC to your name) somewhere along the way? If you did not advise your insurance provider of the change, you could be limiting or eliminating coverage in the event of a claim. Did you set up a parent corporation for multiple business entities or a holding company for tax purposes, but operate under a DBA (doing business as) name? Is that name properly filed with your state and disclosed to your insurance provider? Were you a repossession company (ABC Recovery) that added towing to your name and corporate status (ABC Recovery & Towing) to supplement your business income or vice versa... ABC Towing is now known as ABC Towing & Recovery? Were you a corporation that for whatever reason failed to complete your annual filings losing your incorporated status or decided to change from an incorporated entity to a LLC or partnership?

These seemingly simple perhaps well intended... "administrative or marketing" changes could have a significant impact on your insurance coverages. So, it is important that everyone be on the same page. It is important to consult with an attorney and tax professional on what type of business/corporate status is best for you, but it is equally important to notify your insurance provider of any change in status or name change to avoid any potential coverage issues.

Getting the correct named insured on record with your insurance provider and shown correctly on a certificate of insurance or other important insurance documents can be the difference between having coverage in the event of a claim and in finding yourself footing the costs of defense and judgement out of pocket!

If you have made any changes to your corporate structure or name, please take the opportunity to tell us now!