



## Guide to Purchasing Professional Transportation

If there is one thing that consumers learn the hard way in the ground transportation business, it is the least expensive option is by all means not the most reliable and efficient. As a meeting planner, who wants to take a chance on having your CEO or President missed at the airport and late for that important meeting? As a general consumer, well, no one wants to be late for his or her own wedding or frustrated by not having any transportation arrive for that special event.

Whatever you're needs are some common standards that any service provider should meet before you retain their services. Here are some tips you should keep in mind as you choose your ground transportation provider:

### Insurance

Operators should be eager to provide proof of valid, current insurance coverage for their fleet. While an alarming number of companies operate without insurance, there are plenty of companies that operate legally. You should get a copy of certificate of insurance, and if you plan on using them over an extended period of time, it is wise to have their insurance provider add you as "additionally or named insured." This provides added security and the insurance provider will notify you if the policy should be interrupted for any reason.

All Star Transportation has a 5 million-dollar liability policy on all their vehicles. Michigan State law requires vehicles for hire a minimum of 1million dollar liability.

### Workman's Compensation Insurance

Are the company's chauffeurs paid as employees or sub contractors?

Many companies pay their chauffeurs as sub contractors. The IRS classifies chauffeurs when provided a vehicle to them as an employee. In many instances companies pay their chauffeurs as sub contractors thus allowing them to not pay workman's compensation insurance on them.

If an accident would occur under a situation that the chauffeur would get hurt and they had no workman's compensation insurance, there is a good chance you could be listed in a lawsuit. If workman's compensation were in effect that chauffeur would be paid out by the appropriate workman's compensation insurance company.

Everybody at All Star is paid as an employee, therefore carrying the appropriate workman's compensation insurance on ALL employees.