

## Non-Owned Auto Coverage

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Employees routinely use their own vehicles in their jobs or just to run errands for their employer. Does your company have protection in case of an accident and both your worker and your company are sued? If your company has a business auto policy, it should include coverage for 'non-owned' automobiles. These are vehicles owned by others (such as an employee) that are used in the business of the company. Generally a business auto policy only protects against losses involving company-owned vehicles, so it is important to add "non-owned" coverage.

Basic business auto insurance only covers employees while they operate a company-owned vehicle to perform company business. Usually, the employee's personal automobile policy will provide insurance to both the employee and the business when operating their personal auto on behalf of the business. However, some personal auto policies now exclude business use. So, a coverage gap may exist if the business coverage is not extended to handle non-owned vehicles.

Another important consideration is whether the amount of non-owned coverage is sufficient. Any non-owned auto liability limits should be high enough to protect both the business and the employee. A company has to evaluate its particular coverage need in order to determine the proper level of coverage. Including 'non-owned' auto liability coverage on the business policy will provide coverage for the business over any deficiency in limit from the employee's personal auto policy. This is coverage for the BUSINESS, not the employee.

If the company does not own any automobiles, it is possible to purchase business auto liability coverage for only the danger of loss involving its use of 'hired and non-owned' vehicles. The 'hired' portion would cover business travel and vehicle rentals; the 'non-owned' portion would cover employees using their own auto in the business.

Even if a business rarely uses non-owned autos, it only takes one serious accident to create a significant loss for the business. You should find an opportunity to discuss this coverage with an insurance professional.

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