

The Benefits of Non-Owned Auto Liability

By Leland Hendrie
President, PHD Insurance



Many times as a business owner you are put in a position where you must call upon an employee to run to the hardware store, pickup office supplies or just to go pickup lunch. Just think of it in these terms, if someone (paid or volunteer) is driving on behalf of your company in a vehicle your company does not own, there is a potential gap in coverage. The driver's insurance would be the primary insurance, but if their limits were not high enough to cover the damages from an accident, your company would be liable for the balance. Normally, a business auto insurance policy will only insure your company vehicles and will not cover a non-owned auto vehicle. Therefore, it is important that you find out if they are included. If they are not, you might want to consider adding them. Another factor to consider is that if they have not listed their vehicle for business use, there may be no coverage at all.

What is a non-owned auto liability policy?

Non-owned covers bodily injury and property damage caused by a driver of a vehicle that is not owned by your company.

What does it covered?

Non-owned auto liability covers rentals or borrowed vehicles and vehicles owned by others, including your employees.

What is not covered?

Non-owned auto liability will not cover damages to the vehicle itself. This is an optional coverage.

The benefits of non-owned auto liability policies.

If you rent vehicles, you would not have to purchase liability insurance for the vehicle. You would only need the collision damage waiver.

For more information about non-owned auto liability, please contact a PHD Protection Team Member at (800) 640-4743 to insure you have the proper coverage you need to protect your business.

Sincerely,


Leland J. Hendrie, CLU

Author, Speaker, and Consumer Advocate



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