

What is Non-Owned Auto Coverage?

Non-Owned Auto is liability coverage for a vehicle that is owned by an individual other than the company, but is used on a company's behalf. It is intended for those "incidental" accidents – such as those that might occur when you send an in-house employee on an errand to by lunch or go to the bank.

If your employer has a 'non-owned auto' policy does it protect you while running business errands in your personal car or just protect the employer?

Non-owned auto coverage protects your company in the event your company is sued as a result of an auto accident that you or one of the employees has in a personal vehicle while on company business. This coverage DOES NOT protect you or the employee personally. Usually an employee's personal auto policy will provide insurance to the employee, however, some personal auto policies now exclude business use. You must make sure that your limits are high enough to cover you personally, if an accident should occur. If you do not have a personal auto policy, and are covered solely by the business auto policy, you must ensure that the company's auto policy has the "Drive Other Car" coverage endorsement. This endorsement would provide coverage to the employee PERSONALLY, not just the company.

Non-Owned Auto coverage is typically added as an endorsement on a General Liability policy. When there are no vehicles titled in the company name this coverage will meet the contract requirement for Commercial Auto coverage.