

SPRINGBROOK INSURANCE AGENCY
LICENSE #0F30763

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NON OWNED AUTO LIABILITY COVERAGE

Employers' Non-Owned Auto Liability coverage is purchased to protect the employer when employees or volunteers drive their own vehicles on company business. When an employee, volunteer, or Director is involved in an accident while on company business, the employer can be named as a defendant in a lawsuit along with the driver / owner of the vehicle. While the personal insurance on the vehicle is primary, the Non-Owned Auto Liability coverage will protect the business owner for the limits purchased.

While most individuals do carry auto insurance, their limits are usually inadequate to protect the assets of a business in the event of a serious auto accident. A typical personal auto insurance policy has limits of \$100,000 to \$300,000 aggregate in liability coverage, while a business auto policy begins at \$1,000,000 in coverage. If there is personal auto coverage in force, the Non-Owned Auto Liability will pay on behalf of the business in excess of the underlying personal limits.

It is important that an employee handbook outlines the personal auto insurance limits that should be maintained by employees who use their vehicles for company business. At standard guideline used by most companies is a minimum of \$300,000 combined single limits for employees' vehicles, with a system in place to maintain an annual record of this insurance by the employer.