

Business Vehicle Insurance

If you use your own car for business purposes, discuss this with your agent. Many personal auto insurance policies exclude coverage if the vehicle involved in an accident is used mainly for business. A business auto policy provides coverage for autos owned by a business. The insurance pays any costs to third parties resulting from bodily injury or property damage for which your business is legally liable, up to the policy limits. Depending on what kind of coverage you buy, the insurance may pay to repair or replace your vehicle because of damage resulting from accidents, theft, flooding and other events.

Now, it is true that the exclusion applies if the vehicle is being used primarily for commercial purposes. And some ill-informed advisors/agents will advise small-business owners that such a policy is not necessary.

The last thing you will want to do is argue with your insurer over whether your automobile was used more for personal use or business use. If you use any titled vehicles in your business, then purchase this coverage. In my opinion, the risk of a serious auto accident wiping out a small business far exceeds the premiums paid for the coverage and this is not the place to save premiums.

A commercial auto policy does the same thing as your personal auto policy. It provides coverage to repair or replace a vehicle damaged in an accident and it will pay the claims of any third-party injured in the accident.

You should purchase "non-owned auto" coverage as well. This coverage will provide coverage to the business when employees use their personal vehicles for the business. It will also provide coverage whenever the business makes use of vehicles it does not own. This includes your car when used for business purposes.

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