

5 Reasons Your Business Needs Hired and Non-Owned Auto Coverage



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Do your employees ever drive their own cars for work purposes? Your immediate answer may be “no,” but consider activities like:

- Picking up coffee for the team
- Running to the post office
- Making a bank deposit
- Taking a work call while driving home
- Meeting a client for lunch

Even seemingly innocuous errands can become big liabilities if your employee is in an accident on the way. The same is the case if your employees ever rent vehicles for business trips. The solution comes in the form of Hired and Non-owned Auto coverage, and without it, your business may face costly exposure. Here are five reasons why you should consider Hired and Non-owned Auto coverage:

1. Basic Business Auto policies only cover company employees driving company-owned vehicles. They don't offer any protection for employee-owned or rented vehicles.
2. Your employee's personal auto insurance—which would be activated first—may not always provide adequate coverage. Any charges that exceed their policy limits would be passed on to your business.
3. Legal costs are expensive. An accident involving multiple insurance policies often incurs legal fees, which Hired and Non-owned Auto coverage will take care of. Basic auto and business policies typically do not.

4. Your General Liability policy or basic Business Auto policy may not provide sufficient protection. Hired and non-owned policies often cover exclusions and fill in other potential gaps in coverage.
5. Hired and Non-owned Auto policies give you flexibility and peace of mind. You can encourage your employees to rent vehicles or let them drive their own cars to company functions without worrying about liability in case of an accident.

Another way to proactively reduce your business' auto-related risk is to implement vehicle usage policies, both for using personal cars for business and using company cars for personal reasons. These dictate safe driving, licensing, and insurance requirements as well as drug and alcohol testing, accident, and maintenance procedures.

VGM Insurance has created sample policies for each of these situations and they're available for download for your reference. Use these guidelines to create your own policies and keep signed copies in your employee files to help reduce your risk.

If you're still unsure about hired and non-owned automobile insurance or are ready to purchase a policy, reach out to your VGM Insurance Services Account Manager or contact us today at info@vgminsurance.com or **800-362-3363**.

