

Insuring the Vehicles That Drive Your Business

Although a vehicle driven for business purposes typically needs the same insurance coverage as one driven for personal reasons (i.e., liability, collision, comprehensive, and medical payments), finding the appropriate insurance policy for your company vehicles could be a bit more complex than selecting one for a personal car.

A personal car used incidentally for business may not need a commercial policy. A vehicle titled to your business probably will. An examination of your specific circumstances could help determine which type of coverage would be appropriate — or possibly required by law.

Commercial auto insurance typically pays a benefit (up to the policy limits) if your company vehicle is damaged or stolen, and can help protect your company from liability claims if you or one of your employees causes damages and/or injuries while driving a company vehicle. It can also help pay medical expenses for your employees or other parties injured in an accident involving your company vehicle.

There are many variables to consider when choosing a commercial policy.

- *Who will be driving the vehicle and what kind of driving records do they have?* A commercial auto insurer usually requires a list of individuals who will be using a particular vehicle. Employees with clean driving records are typically less expensive to insure. Enrolling employees in safe-driving courses could help reduce the cost of coverage.
- *What kind of vehicle is it and what business purpose does it serve?* The availability and cost of coverage could vary significantly depending on the nature of use, the number of miles driven each year, whether the vehicle is used to transport passengers or cargo, and the type of cargo it carries, if any. Discounts may be available if the vehicle has features such as anti-lock brakes, daytime running lights, a navigation system, or anti-theft tracking devices.
- *What are the policy provisions?* Several variables can affect the cost of a policy, including the amount of the deductible, coverage for replacement value versus actual value, a rental replacement benefit, and whether you will pay the premiums annually or monthly. So can the number of vehicles on the policy and whether you have other policies with the insurer.

Selecting the appropriate policy is a critical task with one vital goal: protecting not just your vehicle, but possibly the future of your business.

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