Are You Running Low on Supplies?

You send an employee to drive to another location to retrieve a supply, but in the course of doing so, the employee is involved in a serious motor vehicle accident.

It should be understood that anytime an owner/operator has an employee drive their vehicle or a company vehicle, the owner/operator has exposure to loss. The owner/operator's exposure arises from the operation and use of Hired and Non-owned automobiles that place the drivers, vehicle owners and the owner/operator at risk.

The Hired and Non-owned portion of your Business Owners' policy covers bodily injury and property damage to an innocent party caused by:

- a vehicle you hire, which includes rented or borrowed vehicles.

- non-owned vehicles, which include vehicles owned by others, including vehicles owned by your managers and crew members.

Hired and Non-owned coverage protects only you—the owner/operator. Liability coverage for the employee is only as comprehensive as the coverage they have purchased for their vehicle.

It is important to note that Hired and Non-owned coverage DOES NOT pay for physical damage to the Hired or Nonowned vehicle. This damage would be covered by the vehicle owner's automobile policy.

Below are a few tips to mitigate your loss exposure when an employee drives on company business:

1. Allow only employees you trust behind the wheel of a vehicle to complete any type of business errand.

2. It is highly recommended to obtain motor vehicle records of designated employees, as you do not want an employee on the road with several violations or prior accidents.

3. Obtain and verify that the employee using his or her own vehicle has adequate automobile coverage. This coverage would be primary in any automobile accident.

4. Be sure any designated driver has a valid driver's license.

HIRED AND NON-OWNED COVERAGE IS EXCESS OVER THE PRIMARY AUTOMOBILE INSURANCE. PRIMARY INSURANCE WOULD BE THE PERSONAL AUTO POLICY THAT THE MANAGER OR CREW PERSON HAS FOR HIS OR HER VEHICLE.

Arthur J. Gallagher & Co.