

Employer's Non-Owned & Hired Auto Insurance Explained

Employer's Non-Owned & Hired Auto insurance coverage is important to protect our agency's commercial clients. The established legal principal which makes this coverage important is vicarious (indirect) liability. By this, we mean that your company may be held liable for automobiles other than your own which are used by persons acting on behalf of your company in your company's operations. Your company's operations include active use of the auto in order to create revenue for your company; as well as passive activities such as running errands or picking up lunch.

Employer's Non-Owned Auto Liability will address the exposure created by principals or employees of your company using their own autos to carry out your company's operations. *Hired Auto Liability* will address claims stemming from either (1) short-term lease of an auto for no more than 30 consecutive days either in the name of your company, or by an employee on behalf of your company in order to carry out company business...think rental car, or (2) operations of an auto owned or leased by an independent contractor engaged on behalf of your company...think either subcontractors or firms hired to maintain your company facilities. In certain instances, *Hired Auto Physical Damage* is available to address the cost of repairing a short-term rented automobile in event your company, or an employee hiring the auto on behalf of your company, is determined to be liable for physical damage to the hired automobile.

Please consider that in event of an accident involving serious injury, the standard progression of the litigation discovery includes a deposition under oath of all persons involved in the accident. This means that the driver of the automobile will be asked by the injured party's attorney "What were you doing when the accident occurred?" Of course, the driver will need to state that they were in process of doing something for your company in either capacity stated in the paragraph above. At that point, the injured party's attorney will amend the lawsuit to include your company. Once your company is served process, you will notify our office of the lawsuit and we will assist you in submitting the lawsuit to your insurance carrier.

We strongly recommend that Employer's Non-Owned and Hired Auto Liability are made part of your company's insurance program.