

Commercial Auto Insurance

Having the right kind of automobile insurance is important to insure you have the appropriate coverage in the event of a claim. If your vehicle is used for business purposes, then commercial auto insurance is the right type of insurance for you.

Commercial auto insurance is similar to personal auto insurance and includes liability, collision, medical costs, uninsured motorists, underinsured motorists and comprehensive coverage. However, the commercial auto insurance policy is designed to specifically cover loss or damage incurred when using the vehicle for your business.



When you use your vehicle to transport food, people or merchandise, and are paid for the transport services, you need a commercial insurance policy. When your vehicle requires special coverage, such as coverage to tow a trailer for business purposes, non-owned auto coverage or if the vehicle is registered to the corporation and possibly used by multiple employees, you need commercial auto coverage.

The bottom line is that any vehicle used for commercial purposes, small or large, regardless of the number of drivers, should be insured commercially. Even the small business owner with an automobile registered in his/her personal name does not want to worry that claim will not be covered because of business use. For a small difference in premium, it is worth it to have exactly the coverage you need to protect you and your business.

Commercial auto policies contain specialized coverage options appropriate for businesses. Non-owned auto coverage, an optional coverage, can even protect your exposure to loss by your employee's use of a personal vehicle when used for company business, as well as provide coverage for vehicles not owned by the company when under company use.

A vehicle that has commercial license plates requires commercial auto insurance. A vehicle used for activities such as visiting customers, driving to a jobsite or transporting equipment or people does not qualify for a personal auto coverage. If your vehicle use falls into any of these categories, you should secure commercial auto insurance.

Some personal auto insurance policies will extend their insurance coverage to include certain aspects of business driving, but this coverage is narrow, and a majority of business owners are expected to acquire commercial coverage for vehicles used for business.