

# Why do I need a Commercial Auto Policy?



## What if the vehicle I currently use is titled under me personally?

There are three options in converting your "personal vehicle" used for work into a commercial vehicle that can be covered under a commercial auto policy:

1. Change the title of the vehicle to your business.
2. Add your business to the title of your vehicle
3. Lease the vehicle from you back to your business.



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## What's the difference between Personal and Contractor Commercial Auto Policies?

An important difference between a commercial auto policy and a personal auto policy is the available limits. The personal auto policy limit typically maxes out at \$500,000 while the commercial policy will offer limits up to \$1 million.

It's not about your truck or van, it's about your liability. You can easily determine your property risk by adding up the value of your vehicles, but your liability risk will always remain an unknown. If you or an employee are in an at-fault accident in a company vehicle, the minute that other driver finds out that you have a business, their neck will hurt, their back will hurt, and the letters from their attorney will arrive by certified mail.

## Why Can't I just use my personal Auto Policy?



Great question. Business use is excluded from many personal lines auto policies. Commercial auto's and personal autos are different exposures, so the policies have different language and are rated differently. As a Contractor, certain job owners may require you to obtain a Contractor Commercial Auto policy for reasons such as:

1. Commercial jobs normally require \$1,000,000 Combined Single Limits.
2. General Liability policies will not cover a vehicle related claim on a jobsite.
3. Additional required coverages such as Additional Insured, Waiver of Subrogation, Hired & Non-Owned Auto may not be available on a personal auto policy.
4. Personal Auto policies may not cover vehicles used for Commercial purposes.



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