



Personal Lines Newsletter

Business Use of My Personal Vehicle: Will My Insurance Work?

There are over 240 million registered motor vehicles in the U.S., according to the Census Bureau. At a given time, as many as a third of those clutter American roadways, and it is estimated that one-fourth of those are being used in the course of work

Running errands, making deliveries, visiting customers. Even for those whose employment is not based on driving, it's fair to say that your vehicle is an essential part of your employment. This presents an important question: If you are involved in an accident in the course of employment, are you covered by your personal [auto insurance](#) policy (PAP)?

Like most insurance questions, the answer depends on circumstance. For example, what kind of car are you driving? Does the car belong to you or someone else? What type of business are you in?

Consider the language found in the typical PAP. At a glance, many policyholders are shocked to see that the PAP appears to exclude coverage for the use of any vehicle in the course of business other than farming or ranching. However, a very broad exception to this exclusion allows coverage for the business use of a vehicle provided it is one of three types: 1) a private passenger auto, 2) a pickup or van, or 3) trailer while used with the aforementioned. This exception suggests that as long as the vehicle is one of these three types, coverage remains

intact after the accident

But policyholders should proceed with caution, since some PAPs are not as generous. For example, some versions may be more restrictive towards pickups or vans, possibly including a gross vehicle weight (GVW) limitation or a clause that restricts coverage to owned pickups or vans only. Be sure to consult your policy before driving any pickup van used for work. Further, policyholders should understand that any coverage permitted for business use of personal vehicles by the PAP is not intended for these three vehicle categories.

Commercial-type vehicles. The PAP restricts business use to private passenger autos, pickups and vans. While they can be purchased personally, box trucks, tractor trailers, shuttle busses and other commercial-type vehicles do not fit this description; such vehicles require a commercial auto policy.

Furnished or available for regular use. Often called the company car exclusion, this provision is dangerous and must be remedied if the exposure exists. The reason is that a typical PAP will exclude coverage for a vehicle that is regularly available to the policyholder but is not specifically insured under the PAP. For example, if you are furnished a company car as a benefit to your employment, make certain that you are covered by your employer's auto insurance policy. If not, specific action is required to extend coverage under your PAP; it will not do so automatically. The good news is that this cover-

age change is usually inexpensive and can be done easily; just be sure to request the change now, before the accident happens. While the definition of furnished or available for regular use varies by case, err on the side of caution. Don't assume that because you don't take it home with you each night or that you only drive it occasionally you're in the clear. Regardless, a vehicle owned by your employer could be considered available for your regular use. This exclusion presents a potential gap that is too risky to ignore; your **Trusted Choice**® agent can help you take the appropriate steps to close it.

Vehicles that are the business. A PAP will not cover your vehicle if you use it to carry people for a fee, such as a taxi, limo or shuttle. The only exception is a share-the-expense car pool. And if you're planning to make a few extra bucks delivering pizzas, auto parts, newspapers or other goods, proceed with caution. Many PAPs also remove coverage for vehicles that are used to deliver food or other types of property for a fee.

While in most cases the PAP will cover you for business use of a personal vehicle, there are situations where it will not. Such situations are not uncommon and, if not remedied, could result in significant financial detriment for you and your family. Consult your **Trusted Choice**® agent for advice on how to close potentially devastating gaps in your PAP today.

In 2008, 473 traffic crashes occurred every hour on US roads that involved property damage.

The National Highway Traffic Safety Administration reports that in 2008, there were 4,146,000 traffic crashes on US roads that involved property damage. That's a rate of 11,359 crashes per day or 473 per hour.

Since January 1, 2009 all auto policies in North Carolina are required to have uninsured motorist coverage.



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WATERCRAFT INSURANCE POLICIES

These policies are commonly referred to as boatowners policies and yacht policies. Boatowners policies are typically used to cover smaller watercraft (usually less than 26 feet) and yacht policies are generally provided to cover larger, more expensive watercraft. The coverages usually provided by boatowners and yacht insurance policies are physical damage, liability and medical payments. Boatowners policies are not standardized like the automobile and homeowner's insurance policies are in North Carolina. Each policy can be different and it is advisable to ready your policy carefully to make sure you are satisfied with your coverages.

Limited coverage for boats is available under your homeowner policy. If your boat is more than 25 horsepower and/or over 26 feet you will need additional coverage.

Effective May 1, 2010 a new boating law will become effective for persons younger than 26 years old. A person younger than 26 years old may operate a vessel with a motor of 10 horsepower or greater on North Carolina waters only if he or she:

- Completes and passes a boating safety course that is approved by the National Association of State Boating Law Administrators (NASBLA) and accepted by the Wildlife Resources Commission or...
- Is accompanied on board by and under the direct supervision of a person who is at least 26 years old or...
- Is accompanied on board by and under the direct supervision of a person who is at least 18 years old and who has passed an approved boating safety course.

For more information on boating and this new law visit www.ncwildlife.org.

Identity Theft Coverage

During an average day you may make a purchase by writing a check or using your credit or debit card. You may also pay your bills or call home. Chances are you don't give these everyday transactions a second thought, but someone else may. With just a small amount or personal information, someone can steal your identity and use it for financial gain. Identity theft is the fastest growing crime in America. From 2002-2003, the number of identity fraud victims increased by 80%. Other studies have revealed that approximately ten million people became victims of identity fraud between 2002 and 2003. Becoming a victim of identity fraud can require hundreds of hours and thousands of dollars to correct.

WE CAN HELP!

Most of our companies offer identity fraud expense coverage which can be added to your homeowner policy. Give us a call for more information. Ask for Sandy or Paula.

