

Non-Owned & Hired Auto Coverage

As you may know, insurance is all about transferring risk, and when it comes to “non-owned & hired auto liability”, you should carefully consider purchasing the correct coverage, and in the correct limits to properly protect your homecare or hospice company against what might be your primary exposure.

What is “Non-Owned & Hired Auto Liability Coverage”

Non-Owned & Hired auto liability insurance will protect your company from lawsuits brought against you from the actions of your employees, while driving their vehicles in the scope of their business duties.

For Example:

Your Employee is driving their own vehicle to see a patient. On the way to the patient’s home, your employee is involved in an automobile accident that is determined to be their fault. Most state laws provide that the owner and the operator of the vehicle are legally liable for the operation of that vehicle (regardless of the fact that they were “on the job”).

Let’s assume that your employee carries \$25,000 of bodily injury liability insurance. In the case that the \$25,000 is not adequate to pay for the damages, or that your employee has no insurance at the time of the accident, the liability will then shift to your company since the individual was working for you at the time of the accident.

The Exposure:

On occasion we have seen non-owned auto liability claims go to the policy limits of \$1,000,000. We have even seen times when an employee insists that she was not working when the accident occurred, but the judge determined she would not have been where she was unless she had a previous patient visit, and awarded judgment against our client.

What Should you do?

Since a major part of your business involves your employees driving from patient to patient, you should be sure to have non-owned & hired auto coverage included in your insurance program. You should also carefully consider what limits to carry, and be certain that if you purchase an excess liability policy that the excess policy will include non-owned auto (some do—many do not).

Questions about Insurance Coverage?

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