

# **Using your Personal Auto for Business Use**

By: Michael Lloyd

Many occupations today require you to use your own personal vehicle to meet with clients, make pickups or deliveries, or travel to out-of-town locations. It is important that you understand limitations that may exist in your personal automobile insurance policy. Some policies have specific exclusions for "business use" or deliveries. If your policy has an exclusion of this type, then your policy would not cover accidents occurring when the vehicle is being used for business purposes or deliveries.

What is business use? This definition can vary by insurance company. Most insurance companies rate vehicles in four classes with the premium rate increasing between classes: Farm/Low Mileage, Pleasure, Commute to Work or School, and Business Use. Be sure you review your policy to ensure your vehicles are classified properly. Failure to disclose the actual usage of a vehicle can be grounds for denying a claim. As definitions, exclusions, and rating classifications vary by insurance company, be sure to check with your agent to see if any changes need to be made to your policy.

It is important to note that many companies are now adding exclusions for vehicles used to deliver pizza or other items. If you or a teenager in your home is trying to make a few bucks as a delivery person, make sure your policy does not have a delivery exclusion.

One final note for business owners, if your employees are utilizing their own personal vehicles as part of their employment, be sure you have Hired and Non-Owned Auto Liability Insurance as part of your Commercial Auto or General Liability Policy. Accident victims can file a lawsuit against both the vehicle operator/owner and your business.

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