

BLOG

Drivers with Personal Auto Insurance – A “Dirty Little Secret” that exposes you to risk?

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Social media is notorious for disinformation and false rumors. Let's put one to rest.

Delivery companies that purchase quality Hired & Non-Owned Auto Liability Insurance don't have to worry about not being protected against auto claims involving drivers who maintain personal auto insurance. Your company's Hired & Non-Owned Auto Liability policy should cover your company's liability from the first dollar, whether or not your driver's insurance covers the loss. If you are not sure, by all means check with your broker and get it in writing, but all Risk Strategies (formerly Brightstone) clients with this insurance are covered.



Given this, why would a delivery company require its drivers to purchase so-called, “Under Dispatch Commercial Auto Insurance”? Since we provide this type of insurance to our clients as well, we can clarify the pros and cons.

Will it plug a hole in your insurance protection? Not really. The vast majority of drivers' PERSONAL auto insurance policies will cover delivery claims. And as stated above, delivery companies with the right auto insurance of their own are already well protected.

Will Under Dispatch auto insurance save you money? Not at all. It does cost less than full commercial auto insurance. But it's still an extra expense. Drivers must also maintain a Personal Auto Insurance policy to comply with auto insurance laws, which Under Dispatch auto insurance does not satisfy.

Could it strengthen your IC model? Possibly, though to our knowledge no expert has ever suggested that commercial auto insurance is necessary to defend IC status. And Under Dispatch auto insurance cannot be used by drivers to get DOT authority.

Under Dispatch auto insurance should result in fewer claims on your insurance over time. Fewer claims means lower insurance costs for you. The question is, will it be worth the cost to you and your drivers?

With nearly 2000 delivery and logistics clients nationwide and nearly 50 years of experience advising your industry, Risk Strategies' transportation group knows what works. Contact us if you have any questions or an interest in Hired & Non-Owned Auto insurance or Under Dispatch Commercial Auto Insurance.

Risk Strategies Transportation (formerly Brightstone) works with nearly 2,000 delivery and logistics companies of all shapes and sizes nationwide, specializing in the full range of insurance and risk management solutions for this industry: property & casualty, alternative risk solutions, employee benefits, IC risk programs, key person risk management, safety and accident prevention, executive and family risk, and financial services.

Contact us today to learn more about using our expertise to take you further and protect your journey. To learn more please call (877) 862-4755.

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