

Small Business News & Notes

Understanding Your Insurance: Personal Or Commercial?

(NAPSA)—When you own an independent business or are self-employed, it can be confusing to determine which type of auto insurance is right for you—commercial or personal?

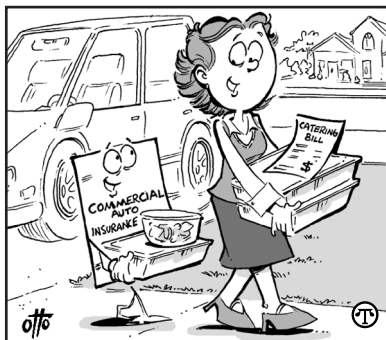
Whether you need a commercial policy depends on how you use your vehicle and what company you have it insured with. Every company has different guidelines and may surcharge for business-use coverage on a personal auto policy.

If you're not sure whether business use is covered on your personal policy, it's important to call your insurance agent. Leading commercial auto insurer Progressive offers these four questions you might want to ask:

What is considered “commercial use”? One definition could include “engaging in transporting goods for compensation or a fee,” which includes pizza or newspaper delivery, catering, door-to-door consulting services, landscaping or snowplowing services, logging business, day care/church van services or farm-to-market delivery. If you use your vehicle for any of these activities, consider purchasing a commercial vehicle policy.

Do I need more liability coverage than a personal auto policy provides? As a business, your state likely requires you to carry higher liability limits than what a personal insurance policy offers. And in some cases, your clients might require you to carry certain liability limits. Find out which—if any—liability requirements apply to your business.

Do I need special coverage for situations encountered while conducting business? Commercial auto policies usually



You may need commercial auto insurance.

offer specialized coverages that are normally not available with personal auto policies. These include Non-Owned Auto coverage, which would cover your employees' personal vehicles while they're on a business errand, and Hired Auto coverage, which covers rental vehicles.

Do I need to list any employees as drivers? If you have employees who drive your business vehicles, they should be listed on your commercial auto policy so they're covered if they get into an accident. With a personal auto policy, you can't list employees as drivers unless they live with you.

In general, you'll need commercial auto coverage if the vehicle you use is owned by a corporation, partnership or driven by employees, or if it's used to haul tools or equipment weighing more than 500 pounds, make deliveries, or is heavy enough to require state or federal filings.

For more information, including a five-question test to find out if commercial auto insurance is right for your business, visit www.progressivecommercial.com.