

Is It Business ... or Is It Personal?

Many individuals who run a business from their home must decide whether or not to buy personal or commercial auto insurance. And other drivers may use their own car to handle business at the request of their employer. Whatever the circumstances, some questions arise regarding the insurance coverage for a car that has a job to do.

If you frequently use your own car for company business, ask your employer if a commercial policy would cover you should you get into an accident. It may be helpful to know in advance if or when your company's insurance would foot the bill. Your personal policy should take effect if your employer is not covered.

If you are self-employed and use your own auto to make sales calls or move equipment from job to job, a personal policy is usually adequate. However, if you are paid to make regular deliveries or use your vehicle as a taxi you probably need to inform your insurer, secure extra coverage, or maybe even get a commercial policy. Generally, a personal auto policy may be all you need unless you are driving other people around frequently.

In some cases, an independent contractor such as a carpenter or landscaper may need a commercial policy - if the vehicle is used more than 50 percent of the time for business purposes. And personal auto policies must have increased limits to cover any equipment that is permanently attached to the vehicle, such as an expensive generator.

If you own a home-based business, you will need to assess your liability and think about how often your car is used for business. If you explain the specifics of your situation, a knowledgeable insurance agent may be able to help you determine your insurance needs.