

Back to Basics: Non-Owned Auto Liability

Non-Owned Auto (NOA) is a liability coverage designed to protect an organization in the event their employees and/or volunteers are involved in an automobile accident on “company time.” Non-Owned Auto liability is especially needed if your organization requires the following:



1. Staff utilizing their own vehicle for offsite meetings, visits, or errands
2. Reimbursing staff for the transportation of clients or other business needs
3. Recruiting volunteers to utilize their own vehicles on behalf of the organization’s operations

Non-Owned Auto Liability is typically added as an endorsement on a General Liability policy or if there is a Commercial Automobile Policy, NOA Liability is added to the automobile policy form. Also, make sure to notify your insurance carrier if you have volunteers driving on behalf of the organization so the appropriate volunteer coverage can be added to the policy.

Note that Non-Owned Auto Liability does not protect your employee personally. Usually an employee’s personal automobile insurance policy will provide insurance to the employee. However, some personal automobile policies may exclude business use. Your employees and volunteers must make sure to carry high enough automobile limits to protect themselves. We recommend automobile liability limits of no less than \$100,000/\$300,000. Employees should be encouraged to discuss their insurance limits and coverage with their insurance agent.

The following are some basic risk management tips for Non-Owned Auto exposure:

- Set policies as to when employees and volunteers can use their vehicle (i.e. meal delivery, errands, transportation, etc.) Require managers to approve all trips
- Establish selection criteria to use when evaluating an employee or volunteers’ driving record to determine if they are acceptable to drive on behalf of their organization
- Determine the number of employees and/or volunteers can ride in one car
- Enroll in an on-going driver safety training program for all drivers
- Employees and volunteers who use their own vehicle on behalf of their employer must show proof of their current automobile insurance and provide copy at renewal
- Obtain a motor vehicle report (MVR) for each driver on an annual basis. Consider the California Pull Notice Program
- Follow the driver guidelines outlined by the insurance carrier/employee handbook.
- Establish a safety committee to develop effective loss control policies & procedures

Let us know if you have questions or would like us to provide you with a Non-Owned Auto Liability Quote. We are here to help!