

Regarding Emergency 20-E-03 – Coverage for non-owned auto?

A PIIAC member raised an interesting question regarding the recently issued emergency regulation. Does the regulation extend to non-owned auto coverage?

Gary Frisch, PIIAC Government Affairs Chair, reviewed this with PIIAC counsel. The conclusion is that the regulation is limited to two situations: the livery/delivery exclusion in a personal auto policy; and, commercial auto policies where coverage is limited to named drivers. The regulation is silent on non-owned auto.

Many of us have restaurant accounts that do not do any delivery or have any owned autos but their policies have hired/non-owned auto coverage. These restaurants may decide in the current crises to begin of offer delivery by their employees. The employee using their personal autos for this purpose does not have an issue since the emergency regulation requires their insurance company to waive the application of any delivery exclusion in their policy in the event of a loss.

However, what about the business owner? In the event of a loss, should the employee's limits be insufficient an injured party could decide to go after the business. If the non-owned auto coverage in the policy issued to the business has a livery/delivery exclusion there would be a coverage gap.

We appreciate the PIIAC member bringing this to our attention so we could pass this along to our members.