

Four Commercial Auto Endorsements Every Insured Should Consider

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Regardless of the industry or state of operation, the following four endorsements alter the availability of coverage for exposures common to most insureds:

Employees as Insureds

- This endorsement closes these gaps and seeming inequities by altering the definition of “Who is an Insured” to include an employee while using an auto the “you” (the named insured) does not own, hire or borrow while it is being used on the named insured’s behalf. This extends insured status to the employee while using his personal vehicle on company (the named insured’s) business.

Fellow Employee Coverage

- *Bodily injury to any fellow employee of the insured arising out of and in the course of the fellow employee’s employment or while performing duties related to the conduct of your business.* In essence, if one employee through the use of a vehicle injures a fellow employee on the job, there is no coverage extended from the BAP to protect the “at-fault” employee.

Auto Loan/Lease Gap

- This endorsement pays the difference between the amount paid by the physical damage coverage and the amount owed and only when there is a total loss. Payment is limited to the value associated with the specific vehicle. Expenses such as overdue payments, high-mileage and usage penalties, security deposits, add-on costs (i.e. credit life, etc.) and balances from prior loans or leases carried over to the current financing agreement are excluded from coverage.
- Vehicle values drop so quickly and the difference between the ACV and the amount owed can be substantial. Consider this endorsement for all insureds with leased or recently-purchased vehicles

Rental Reimbursement

- Rental Reimbursement Coverage is designed, as the name suggests, to reimburse the insured for the cost to rent a replacement vehicle while a covered vehicle is being repaired following a covered loss. The policy is subject to three “maximums”: a maximum per day limit; a maximum number of days; and a maximum total per loss, per vehicle. Further, the policy contains a 24 hour “after the loss” time deductible.