

Business Auto Simple Right?
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An auto policy is an auto policy nothing complicated about this.... Right? Sure if you understand all the insurance company acronyms and the 9 different symbols used on a Business Auto Policy. (BAP)

This is a very easily over looked area of important insurance coverage by both the agent and insured. Because isn't auto insurance "simple"? When was the last time your agent explained these symbols?

The business auto coverage form, CA 00 01, uses **nine symbols** to describe covered autos. These coverage symbols are used in item two of the declarations to signal which autos qualify as covered autos for each coverage being purchased by the insured. **Unless there is a coverage symbol shown beside the coverage name, the coverage will not apply. And, unless the correct coverage symbol is shown, the insured may be without coverage that it intended to have.**

The symbols are numerals ranging from "1" through "9."

Symbol 1

Symbol 1 signifies "any auto." The use of symbol 1 makes any auto a covered auto. The insured will have coverage for any auto owned, hired, borrowed, or used by the insured.

Symbol 2

Symbol 2 is for "owned autos only". The named insured uses this symbol if he or she wants coverage only for autos that are owned; this symbol is not to be used for hired, borrowed and nonowned autos. Symbol 2 provides automatic coverage for any auto that the named insured acquires ownership of during the policy period. Also, if symbol 2 is used for liability coverage, it extends that coverage to cover trailers or semi trailers that the named insured does not own while they are attached to power units that the named insured does own. Again, symbol 2 can be used to extend the coverage's offered by the BAP to any owned auto.

Symbol 3

Symbol 3 is for "owned private passenger autos only." This classification includes private passenger autos that the named insured acquires ownership of during the policy period.

Symbol 4

Symbol 4 refers to "owned autos other than private passenger autos only;" this includes autos of the same type that the named insured acquires ownership of during the policy period. When used for liability coverage, symbol 4 also includes nonowned trailers or semi trailers while attached to power units owned by the named insured.

Symbol 5

Symbol 5 designates "owned autos subject to no-fault." This symbol is for autos owned by the named insured that are required by law to have no-fault coverage in the state where the autos are licensed or principally garaged. Autos that the named insured acquires ownership of during the policy period are automatically covered if they are also required to have no-fault benefits. Symbol 5 is not appropriate in states where the named insured has the right to buy no-fault coverage, but is not required to do so by law.

Symbol 6

Symbol 6 is for "owned autos subject to a compulsory uninsured motorists law." This symbol applies to autos owned by the named insured that, because of the law in the state where the autos are licensed or principally garaged, must have uninsured motorists (UM) coverage; the insured cannot reject the coverage. Symbol 6 does include autos that the named insured acquires ownership of during the policy period. Symbol 6 is not appropriate in states where the named insured has the right to buy UM coverage, but is not required to do so by law.

Symbol 7

Symbol 7 is for "specifically described autos." If symbol 7 is used, only those autos described in item three of the declarations form, for which a premium is charged, are covered.

Symbol 8

Symbol 8 signifies "hired autos only." These are autos that the named insured leases, hires, rents or borrows. Not included are autos leased, hired, rented or borrowed from any of the named insured's employees, partners, members (of a limited liability company), or members of their households. When symbol 8 is used for liability or physical damage coverage, the hired auto coverage schedule in item four of the declarations must be completed.

Symbol 9

Symbol 9 is used for "nonowned autos only." This category is for those autos that the named insured does not own, lease, hire, rent, or borrow that are used in connection with the named insured's business.

This is a very brief outline and basic information only. I recommend you contact one of our highly trained and experienced agents at Insurance brokers of MN, Inc. for a complete review of your business auto policies.