

Drive Other Car (DOC) Coverage - What is it and why do you need it?

Many business owners have all their vehicles covered as a business auto and do not have a personal auto policy. This may save some money on premium and allows the business owner to expense the cost of the vehicle through the company. It can on the other hand open up some unforeseen gaps in their insurance policy.

What is it?

Coverage applicable to employees or executives of a company or any other person who is supplied a company vehicle, but who does not own a personal vehicle, thereby not having personal automobile coverage. An endorsement may be added to the automobile policy of the company that furnishes the automobile, giving protection while the named individual or a member of his family is driving a car borrowed from a third party (other than the vehicle named in the policy). Individuals who are owners of the company qualify for the "individual named insured" endorsement, which includes family coverage. The drive other car coverage is usually added at little additional premium charge.

Here is an example:

Your 16 year old son gets into your neighbors car and turns the ignition running it into the garage causing serious damage. Since he is not a permitted driver on the neighbors policy there is no coverage there. Since there is no personal auto policy there is no coverage there either.

Drive Other Car (DOC) Solution:

The standard ISO endorsement for use with the business auto, garage, motor carrier, or trucker's coverage forms is titled "Drive Other Car Coverage--Broadened Coverage for Named Individuals," CA 99 10. It is designed to cover the employee, his or her spouse and others in their household while using autos of others (other than the furnished auto) which may not be covered for insurance, or where the limits may be inadequate

If you have any questions don't hesitate to contact me. **Gérald Gaucher**
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