

Hired and Non-Owned Auto Insurance

WHAT YOU NEED TO KNOW!

Hired and non-owned auto insurance (HNOA) covers commercial liability expenses triggered by auto accidents involving hired (i.e. rental vehicle) or borrowed vehicles (i.e. employee-owned vehicle) used in the business operations.

What does HNOA cover?

When HNOA is included under your commercial auto policy it covers liability claims and defense cost. This would include physical damage and bodily injury to the 3rd party (other party involved in the accident), attorney fees for defense for your business against a lawsuit, settlements and/or judgements against your business, and other court cost associated with a lawsuit against your business.

What is NOT covered under a HNOA?

HNOA does not cover physical damage for the rented or employee-owned vehicle, nor does it cover any damage to property being transported within the hired or non-owned vehicle.

Why is this coverage important to Oxi Fresh Franchisees?

Scenario 1: The business-owned vehicle is not available for service so the franchisee rents a vehicle to continue operations. While driving this rental vehicle, if the franchisee were involved in an accident, the franchisee would have liability insurance for their corporation/LLC. See above for what is covered.

Scenario 2: The business-owned vehicle breaks down and is in the shop for repairs, and the vehicle is not available for service, the franchisee rents a vehicle to continue operations. If the franchisee were involved in an accident, the franchisee would have liability insurance for their corporation/LLC. See above for what is covered.

Scenario 3: The business-owned vehicle is involved in accident and/or in the shop for repairs, and the franchisee utilizes a personal vehicle to continue operations. If the franchisee were involved in an accident, the franchisee would have liability insurance for their corporation/LLC. See above for what is covered.

Scenario 4: The franchisee hires a new employee, and requests the employee drive a personal vehicle during a trial period for business operations, the franchisee would have liability insurance for their corporation/LLC. See above for what is covered.

How much Does HNOA insurance typically cost?

Various factors are used when determining how much HNOA coverage will cost. Carriers will factor in the age of drivers, their driving record, state in which you are operating in, and auto claims history associated with your business. Gallagher has seen premium ranges from approximately \$75 to \$250 per year per vehicle for Oxi Fresh franchisees.