Achievable

CASUALTY INSURANCE DUMP SHEET

Commercial auto

The business auto coverage form

- Added to the CPP for bodily injury and property damage arising out of a business auto, plus physical damage on it. Three classes are insurable: **owned**, **hired** and **non-owned**

  Hired autos are leased, rented or borrowed, never an employee's own. Non-owned autos are exactly that — usually employees' cars driven on the business.
- Five sections: **I** covered autos, **II** liability with defense costs and supplementary payments, **III** physical damage, **IV** conditions, **V** definitions and exclusions
- Physical damage is written three ways: **collision** (overturn or impact with an object), **comprehensive** (anything else not excluded, including glass and hitting an animal), and **specified causes of loss** — fire, lightning, explosion, theft, windstorm, hail, earthquake, flood, mischief or vandalism, and the sinking, burning, collision or derailment of the conveyance carrying the auto
- Pollution is broadly excluded; limited coverage applies where it comes directly out of an accident, such as fuel escaping a ruptured tank

Covered auto symbols

#	What it covers
1	**Any auto** — the broadest
2	Owned autos only, including those acquired during the term
3	Owned private passenger autos
4	Owned autos other than private passenger types — trucks and vans
5	Owned autos subject to a no-fault law
6	Owned autos subject to uninsured motorist requirements
7	**Specifically described autos**, listed on the declarations
8	**Hired autos only** — leased, rented or borrowed, never from employees or household members
9	**Non-owned autos only** — employees' cars used on the business
10	Mobile equipment once it becomes subject to motor vehicle law

- Symbols **1, 7, 8 and 9** are the ones exams ask about

Garage, truckers and the carriers' rules

- **Garage coverage** insures liability out of garage operations — a garage, auto sales firm, service station, repair shop, parking lot or storage garage
- **Garagekeepers' liability** is bailee coverage for customers' autos in the insured's custody, which garage coverage itself excludes. The insured picks collision, comprehensive or specified perils
- **Truckers' coverage** (now often the Motor Carrier form) protects a trucker hauling goods under contract, rated on class rates
  - **Bobtailing:** the tractor or cab running with no trailer, on non-trucking use
  - **Deadheading:** pulling an empty trailer
  - Both are covered by the **Truckers Insurance for Non-Trucking Use** endorsement
- The **Motor Carrier Act of 1980** makes carriers file proof of liability insurance — the **MCS-90** endorsement:
  - **Type 1**, non-hazardous property for hire in interstate commerce: **$750,000**
  - **Type 2**, hazardous substances: **$5 million**
  - **Type 3**, oil and other substances not under Type 2: **$1 million**
- Endorsements: **auto medical payments**, **drive other car**, **employees as insureds** (excess over their own limits), **individual named insured** for a sole proprietor, **deductible liability**, and **uninsured motorists**