

Social Service

INSURANCE PROGRAMS

What Nonprofits Need to Know About The Nonowned Automobile Exposure

In the state of Georgia automobile insurance is mandatory for each vehicle on the road. The owner of the vehicle must carry the insurance.

The nonprofit with no owned vehicles still has volunteers and employees in their cars doing errands or performing services. If that volunteer should have an accident while on business for the nonprofit there is an exposure. In the event of a catastrophic accident there may be a law suit against the nonprofit as well as the owner of the vehicle.

Liability insurance is for the benefit of that unknown third party you may damage.

A driver does not set out to hit another vehicle and doesn't know who he may damage through negligence.

Nonowned automobile liability covers the entity for suits of this nature. \$1,000,000 is the amount usually written. Cost is minimal in most cases (less than \$200 annually for small groups).

What Nonowned Automobile Liability Does Not Cover:

- The vehicle itself; the owner's insurance or the owner himself must cover the vehicle.
- Bodily injury for the volunteer or employee driving. The driver may have medical insurance, or WC may cover, or the policy covering the vehicle may have medical payments coverage.
- Volunteers and employees of nonprofits need to review their automobile insurance policies. We recommend that they carry \$50,000 medical payments. This is the maximum available, and covers each person in the vehicle for that amount. \$5,000 is the minimum. It is a no-fault coverage.

Qualifications to Add Nonowned Auto to The Policy:

- Entity must keep copy of the employee/volunteers dec page from policy showing that they carry at least \$300,000 liability (we have only one company that requires only \$100,000).
- Entity must check MVRs of employees/volunteers who drive on behalf of the organization and keep that information on file. If MVR is unacceptable that person must not be allowed to drive.
- Entities with owned vehicles also need the nonowned automobile liability. This can be usually be purchased for both hired (you rent a vehicle for the weekend) and nonowned.

Please call if you have further questions!
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