

## Hired and Non-Owned Automobile coverage for Home Care businesses

As a home care franchise owner whose employees drive on the business's behalf, you may need Hired and Non-Owned Automobile Liability (HNOA) coverage.

HNOA provides insurance coverage to franchise owners for losses that are brought against them involving vehicles they do not own. It can cover bodily injury and property damage that might occur when an employee transports a client during their duties. Because HNOA provides coverage after other policies' limits have been reached, Lockton Home Care receives many inquiries about how HNOA insurance would work in given scenarios.

Explore our guide below to gain a better understanding of how HNOA can work to benefit your business.

### Coverage descriptions

Hired Automobile Liability insurance applies to bodily injury or property damage arising out of the maintenance or use of a hired auto by a franchise owner or their employees during business operations.

**The basics:** Hired Automobile Liability offers coverage for automobiles that businessowners or their employees rent for business purposes. It does not cover physical loss to the rented vehicle itself.

Non-Owned Automobile Liability applies to bodily injury or property damage arising out of the use of any non-owned auto for your business by any person other than you. Employee and client vehicles are considered non-owned automobiles.

**The basics:** Non-Owned Automobile Liability is intended to protect you and would respond in excess

of an employee's personal auto liability limit. If an employee or client wants physical damage coverage for their own vehicle, they should purchase that coverage on their personal auto policy.

### How HNOA coverage applies

**Situation 1:** If an employee is driving their personal vehicle while transporting a client and they have an accident, their personal auto liability policy should cover them for liability losses up to their policy limit. If they carry physical damage coverage, losses to their vehicle should also be covered. Your HNOA policy would provide auto liability limits beyond the employee's policy limits if you were brought into the claim.

Lockton Home Care tip: Some personal auto policies include a "Business Use" exclusion. To ensure an employee's personal auto policy would respond if they have an accident while driving on company business, they need to verify their coverage with their insurance representative.

**Situation 2:** If an employee is driving a client's vehicle and has an accident, the client's personal auto policy will respond first for liability coverage and the employee's personal auto policy would be excess. Your HNOA would cover excess after that. The client's policy would also cover any physical damage to the client's vehicle, as long as they carry physical damage coverage.

Lockton Home Care Tip: Confirm with each client that they carry full coverage on their vehicle. Explain to your clients that if an employee drives their vehicle, the client's insurance coverage will respond first in the event of a loss.

# Whose insurance applies in an accident

The following chart illustrates whose insurance would apply in the event of an accident. This assumes the caregiver driving was at fault in the accident.

Driving caregiver's car		Caregiver driving client's car	
<b>Client injured</b>	1st: Caregiver's personal insurance 2nd: Franchisee's HNOA insurance	<b>Client injured</b>	1st: Client's personal insurance 2nd: Caregiver's personal insurance 3rd: Franchisee's HNOA insurance
<b>Caregiver injured</b>	Franchisee's Workers' Compensation insurance	<b>Caregiver injured</b>	Franchisee's Workers' Compensation insurance
<b>Third party injured</b>	1st: Caregiver's personal insurance 2nd: Franchisee's HNOA insurance	<b>Third party injured</b>	1st: Client's personal insurance 2nd: Caregiver's personal insurance 3rd: Franchisee's HNOA insurance
<b>Vehicle damage only</b>	Caregiver's personal insurance	<b>Vehicle damage only</b>	Client's personal insurance

If you have questions about HNOA insurance coverage, please contact Lockton Home Care at [\(800\) 723-9624](tel:8007239624) or [HomeCare@LocktonAffinity.com](mailto:HomeCare@LocktonAffinity.com).

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