The DOC
(drive other car)

v.

Use of Other Auto

... Endorsements
DOC v.
Use of Other Auto …what do they do and what do you need?

with
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Vice President of Technical Affairs
Massachusetts Association of Insurance Agents

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DOC…Is It What You REALLY Need?

DOC Question One…
I own an insurance agency.

I principally operate a vehicle owned in the name of the agency, which is on a commercial policy.

I also have autos I own personally, insured on a personal auto policy.

On the commercial auto policy, I have Drive Other Car Coverage (DOC).

This, if I understand correctly, would extend my commercial liability to another vehicle I may be driving.
So, if I am driving the agency-owned vehicle, get in an accident and am sued personally (let’s say, for negligence) …

I should really have Use of Other Auto on the personal auto policy, Right?

Should I carry both Use of Other Auto (Personally) and Drive Other Car (Commercially)???
Coverage provided by the BAP

If you have the right to use the company car for business and/or personal use ... the BAP ... provides coverage for any permissive user.
BAP liability defines insured as ..

1. Who is an Insured
The following are "insureds":
.....
b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:

The BAP covers you (permissive user) for business or personal use of the vehicle owned by the BAP named insured Again ... as long as you have permission to use the vehicle.
So …
You are right …
you don't need the DOC …

The BAP does NOT require that the vehicle be used for business …

but one MUST have permission to use the vehicle.
I don’t see the need for the DOC in your case since you stated that you also have a personal auto policy.

The DOC does NOT apply to the use of THAT company car ...

*Since the BAP itself covers people with permission*
The DOC does **NOT apply** to
the use of your personally owned car.

Your MAP itself covers you …
as long as you are not performing an
excluded activity

Coverage provided by the DOC
Name the individual to whom the DOC will apply

Coverage is added for a particular person to someone or something else’s policy

<table>
<thead>
<tr>
<th>Name of Individual</th>
<th>BI</th>
<th>PD</th>
<th>MED</th>
<th>UM</th>
<th>UIM</th>
<th>COMP $</th>
<th>Ded.</th>
<th>COLL $</th>
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</table>

A. Changes in Liability Coverage
1. Any “auto” you hire, borrow or don’t own is a covered “auto” for Liability Coverage while being used by any individual named in this endorsement or by his or her spouse while a resident of the same household except:
   a. Any “auto” owned by that individual or by any “household member” of that individual.
   b. Any “auto” used by that individual or his or her spouse while working in a business of selling, servicing, repairing or parking “auto.”
A. Changes in Liability Coverage

1. Any “auto” you hire, borrow or don’t own is a covered “auto” for Liability Coverage while being used by any individual named in this endorsement or by his or her spouse while a resident of the same household except:
DOC...Is It What You REALLY Need?

a. Any “auto” owned by that individual or by any “household member” of that individual.

DOC does NOT apply to any vehicle owned by named individual or his/her “household members”

DOC...Is It What You REALLY Need?

Liability coverage provided under the DOC states:

A. Changes in Liability Coverage
   1. Any “auto” you hire, borrow or don’t own is a covered “auto” for Liability Coverage while being used by any individual named in this endorsement or by his or her spouse while a resident of the same household except:
Physical damage also applies to named individual — using a vehicle that is
Not owned by
NOT Rented to
NOT borrowed by
YOU
(proper symbol on BAP, of course)

For physical damage coverage provided under the DOC it states:

C. Changes in Physical Damage Insurance

Any private passenger-type auto you hire, borrow or don’t own is a covered “auto” while in the care, custody or control of any individual named in this endorsement or his or her spouse while a resident of the same household except:
We know that the “you” discussed here is the named insured on the BAP ...

in the above case the “you” is the “insurance agency.”

So, the individual named on the DOC will be covered for liability when he/she drives

a vehicle NOT owned by the insurance agency — the “you”
So, the individual named on the DOC will be covered for liability when he/she drives

a vehicle rented by the “you” — insurance agency;
assuming symbol 8 or 1 is on the BAP ....

So, the individual named on the DOC will be covered for liability when he/she drives

a vehicle that is NOT owned by the “you” — insurance agency.
(assuming the BAP has symbol 9 or 1)
The “vehicle not owned by the you” or “private passenger type not owned by you” is what gives the named individual coverage when he/she borrows a friend’s car, rents a car for vacation or any other reason he/she uses a vehicle not owned by the policy’s “you”.

When to use the DOC?
There is NO MAP in household...

Which is NOT the case in THIS question

The DOC makes sense for an individual when there is NO personal auto policy in the household ...

You commercial lines people

when dealing with corporate officers ... do you identify when there are NO personal auto policies in the household????
The MAP and use of non-owned autos

Does the MAP respond when I drive vehicles that I do not own?

Looking at the insuring agreements in Parts 4 and 5 of the MAP we find:

**Part 4. Damage to someone else’s property**
We will pay only if you, or a household member, is legally responsible for the accident

**Part 5 Optional Bodily Injury to Others**
Under this Part, we will pay damages to people injured or killed in accidents if you or a household member is legally responsible for the accident.
So, under PD Part 4 and OBI Part 5 we find coverage when you or a household member is legally responsible for an accident.

If you borrow a car and have an accident could you be “legally responsible”?  

If you use a company car could you be “legally responsible”? 

If you use your OWN car …can you be “legally responsible”? 

MAP and using other autos
MAP Part 6 insuring agreement states:

**Part 6 Medical Payments**

We will also pay for expenses resulting from bodily injuries to you or any household member if struck by an auto *or if occupying someone else’s auto*

The insuring agreements of Parts 4 and 5 in the MAP tell us that there is coverage if we are legally responsible …

which could occur when we are driving non-owned vehicles like a company car….
Part 6 states …
occupying someone else’s auto…

Such as the company car

The insuring agreements of Part 7 Collision and Part 9 Comprehensive state:

**Part 7 collision**
Under this part, we will pay for any direct and accidental damage to YOUR AUTO caused by a collision. We will also pay for collision damage *to other private passenger autos* while being used by you or a household member *with the consent of the owner.*
Part 9 Comprehensive
Under this part, we will pay for direct and accidental damage to or loss of YOUR AUTO other than damage caused by collision. We will also pay for such damage or loss to other private passenger autos while being used by you or a household member with the consent of the owner.

So …
physical damage coverages follow you and a household member when using a private passenger auto … OTHER than ones that you own.
Company car???
However, when coverage applies it will always be “excess”….
or AFTER….
the coverage on the vehicle you are driving pays.

**Parts 4 and 5 state:**

If someone covered under this Part is using an auto he or she does not own at the time of the accident, the owner’s auto insurance must pay its limit before we pay.

**Part 6 states:**

If someone covered under this Part is using an auto he or she does not own at the time of the accident, the owner’s automobile Medical Payments insurance must pay its limit before we pay.
Parts 7 and 9 state:

If an auto covered under this Part is not owned by you at the time of the accident, the owner’s auto insurance must pay its limit before we pay. Then, we will pay, up to the limit shown on your Coverage Selections Page, for any damage not covered by that insurance less the deductible amount you selected.

SO …
our MAP is always EXCESS or AFTER the coverage that applies to the vehicle that we are driving …

Hopefully, the vehicle we are driving has lots of coverage and our policy will NEVER have to respond …
Now ... the “catch” ... 

The MAP covers you when you drive vehicles that you do not own as long as you don’t use them too much — “regularly”.
Parts 4 and 5 have the following exclusions:

While a **household member**, other than your spouse, is using an auto which **you** or any **household member** owns or **uses regularly** unless a premium for this Part is shown for that auto on the Coverage Selections Page.

While **you** or **your** spouse, if a **household member**, are using an auto which **you** or **your** spouse, if a **household member**, own or **use regularly** unless a premium for this Part is shown for that auto on the Coverage Selections Page.

Parts 7 and 9 have the following exclusion

However, we will not pay for damage to any auto which is owned or **regularly used** by **you** or a **household member** unless a premium for this Part is shown for that auto on the Coverage Selections Page.
So … *who cares?*

Well … what if you have convinced me to carry $250/500 OBI and $2500,000 PD ... because high limits are good for me.

But I regularly drive a car that has lower limits

Will I be able to get back to my PD and OBI limits?

If you want to be able to go back to YOUR MAP when you are using that company car “assigned” to you ...

then you need the M-0051s Use of Other Auto endorsement

to remove the regular use exclusion of the MAP.
Use of Other Auto M-0051s

M-0051S Use of Other Autos furnished or available for regular Use

Removes the regular use exclusion from parts 4, 5, 6, 7, 8, 9.

Like the DOC it won’t cover named individual if he/she regularly uses household member vehicle.
Use of Other Auto M-0051s

**Use of Other Auto - Vehicles Furnished or Available For Regular Use**

With respect to the individual(s) and coverages indicated in the Schedule, the provisions of the policy apply unless modified by this endorsement.

1. Any coverage provided under Damage to Someone Else's Property, Optional Bodily Injury to Others, Medical Payments, Collision, Limited Collision, and Comprehensive (Parts 4, 5, 6, 7, 8, and 9) also applies to any vehicle which is furnished or available for the regular use of the named individual on the Schedule.

2. We will not pay under this endorsement if:
   a. The auto is:
      1. owned by you or any household member, or
      2. a temporary substitute for an auto owned by you or a household member;
   b. The auto is being used by someone in the course of his or her employment in the business of setting, servicing, repairing, or packing autos.
   c. The auto is being used in the business or occupation of the named individual unless the auto is being operated or occupied by named individual, private chauffeur or domestic employee.

3. Under Damage to Someone Else's Property (Part 4) and Optional Bodily Injury to Others (Part 5), the following are not covered:
   a. The Commonwealth of Massachusetts and any of its agencies and authorities.
   b. The United States of America and any of its agencies.
   c. Any person while using an auto in the course of his employment by the United States government of the Federal Tort Claims Act requires the Attorney General of the United States to defend that person in any civil action or proceeding for bodily injury or property damage, whether or not the accident has been reported to the United States or the Attorney General.

4. If someone covered under this endorsement is using an auto he or she does not own at the time of the accident, the owner's auto insurance applies up to its limits before we pay.

**Use of Other Automobiles - Vehicles Furnished or Available For Regular Use (cont.)**

1. The coverage purchased for the named individual is shown in the schedule. If no premium charge is shown, the coverage does not apply.

   Unless otherwise indicated below, Use of Other Autos coverage is applicable only to the individual named in the Schedule or in the Coverage Selections Page.

   **Name of Individual:**

   If indicated below, Use of Other Autos coverage applies to:

   □ Named Individual and Household Members.

   **Schedule**

<table>
<thead>
<tr>
<th>Coverages</th>
<th>Premium</th>
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<tbody>
<tr>
<td>Part 4</td>
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<td>Part 5</td>
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<td>Part 8</td>
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<td>Part 9</td>
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   **Limits of Liability:**

   - Comprehensive - Actual Cash Value less $________ deductible
   - Collision - Actual Cash Value less $________ deductible
   - Limited Collision - Actual Cash Value less $________ deductible

   [Edit 04-03]

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**Intended to be “excess” coverage over limits of vehicle driving regularly**

**Use of Other Auto M-0051s**

Name individual who regularly uses a non-owned auto

If other household members also regularly use it too

then can remove exclusion for them also by checking box
Like the DOC this endorsement “takes” the coverages of the policy to which it is attached.

If Part 7/9 on policy then this endorsement will charge for regularly used non-owned vehicles.

Use of Other Auto M-0051s

The cost for BI/PD/MP under M-0051S rating is:

**RULE 50. USE OF OTHER AUTOMOBILES**

A policy may be extended to provide coverage for an individual who owns an auto but also drives borrowed or rented autos. The policy may also be extended to provide coverage for household members.

Endorsement M-0051-S, Use of Other Automobiles-Vehicles Furnished or Available for Regular Use (cont.) may be used to cover vehicles furnished or available for regular use except vehicles furnished for use as public or livery conveyances.

Endorsement M-0052-S, Use of Other Automobiles-Vehicles Furnished or Available for Use as Public or Livery Conveyances, may be used to cover non-owned public or livery conveyances. Primary insurance must be in effect for these vehicles.

The following rates apply for Damage to Someone Else's Property (Part 4), Optional Bodily Injury to Others (Part 5), and Medical Payments (Part 6):

1. Vehicles Furnished or Available For Regular Use Except Public or Livery Conveyances
   
   A. No Primary Insurance - 90% of the applicable Private Passenger rate for an individual and 100% for individual and household members.
   
   B. Primary Insurance - 12% of the applicable Private Passenger rate for an individual and 15% for individual and household members.
   
   C. If the named individual is in the business of selling, servicing, repairing or renting autos and there is no insurance afforded on a primary basis, the applicable exclusion may be eliminated and the rate to be changed shall be 100% of the applicable private passenger rate.
Use of Other Auto M-0051s

The cost for BI/PD/MP under M-0051S rating is:

12% of the applicable Private Passenger rate for an individual and 13% for individual and household members – as long as the vehicle that is being used is INSURED ....
Say territory 10 class 10 ...

BI 250/500 ......$287 x 12% = $34
PD 250,000 ......$251 x 12% = $30
MP $5000 .......$16 x 12% = $ 2
TOTAL 66.00

If you wanted the all household members option .... just a few pennies more at $72.00 (13%)
Why is it important to identify “regular use” and company car issues???

Requirement of personal umbrella carrier
If you have a personal umbrella …

the personal umbrella carrier wants to know about the vehicles that you own AND those that you REGULARLY use.

<table>
<thead>
<tr>
<th>AUTOMOBILES AND RECREATIONAL VEHICLES</th>
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<tbody>
<tr>
<td>LIST ALL AUTO OWNED, LEASED OR PURCHASED FOR REGULAR USE AND MOTORCYCLES, ENCLOSED CARS, BUSINESS VEHICLES, AND</td>
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Often the umbrella carrier requires that the personal auto policy be endorsed with the M-0051s Use of Other Auto endorsement to make “sure” that there is underlying coverage when an insured routinely/regularly drives a non-owned auto.
What if client wants PUP … has home/condo….  

But has company car … and NO personal auto in the household ….  

Will having the DOC on the BAP be sufficient for the PUP underwriter?

Whether PUP carrier will “allow” the DOC on a BAP to meet the personal auto underlying limit requirement is up to company.  

How much “control” does the named individual have over the BAP???
Also ...

when using the company car do you drive with co-workers???

Even though you are a permissive user and an “insured” for liability under the BAP ... there is an exclusion for injury to co-workers.

5. Fellow Employee

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.
Use of Other Auto M-0051s

Your MAP does NOT have such an exclusion ...so....

If you add M-0051s Use of Other Auto Endorsement to remove the “regular use” exclusion for using the company car too much
then
if the co-worker sues you for injury your MAP could be there for you

DOC...Is It What You REALLY Need?

DOC Question Two ...
We have a client who owns a business with company owned vehicles and has a couple of personally owned vehicles.

There are two youthful operators in the household who drive company cars and have DOC coverage.

The policy covering the two personally owned cars just lists the mother and father and

not the two boys,

both of whom are in college.
If the boys drive one of the parent's cars and has an accident, is there coverage?

Remember, they are not listed as operators on the personal policy but have the DOC.

Also,
if the parents have both DOC and personal auto, what problems does that pose?
My response …

Gotta love people who try to circumvent the system …

perchance …

is THIS why we ALL have to take a FRAUD class …
The MAP probably won't pay when kids drive ANYTHING ...

as one is supposed to list ALL household members ...

and then either pay for them or exclude them.

General Provision 18 in the MAP restates what the application and renewal questionnaire state:
Not listing household members could be construed as Failure to Provide complete information, and General Provision 18 allows the carrier to deny ALL optional coverages and restrict parts 3 and 4 to what they are REQUIRED to sell..

PD $5000 and UM 35/80

Excluding them ... per the operator exclusion endorsement M-0106s it states:

*It is agreed that the person named below will not operate the vehicle(s) described below, or any replacement thereof, under any circumstances whatsoever.*
Will the DOC sit over a household MAP?

Nice try to override the MAP with the DOC …

but it won’t work …we ALREADY saw that
DOC exclusions

A. Changes In Liability Coverage
   1. Any “auto” you hire, borrow or don’t own is a covered “auto” for Liability Coverage while being used by any individual named in this endorsement or by his or her spouse while a resident of the same household except:
      a. Any “auto” owned by that individual or by any “household member” of that individual.

C. Changes In Physical Damage Insurance
   Any private passenger-type “auto” you hire, borrow or don’t own is a covered “auto” while in the care, custody or control of any individual named in this endorsement or his or her spouse while a resident of the same household except:
   1. Any “auto” owned by that individual or by any “family member.”

Both ISO and AIB figured …

people might try to do something like that …
and definitely didn't want to allow it …
Bottom line …
those KIDS CANNOT DRIVE THE FAMILY VEHICLES.

Thank you for attending…

DOC -- Is It What You REALLY Need ...
Does It Do What You Want It To Do?