

Many small contractors start their businesses from their home and run them out of their back pocket. As they gain success and confidence, most will begin to search out a separate office location and separate their business affairs from their personal affairs.

But one thing that gets left behind in this process is the move to a true commercial auto insurance policy.

Here are some of the reasons for switching over to a North Carolina commercial auto insurance policy instead of trying to use a

personal auto insurance policy

to cover the vehicles used in the business.

Reason #1 – The Tax Angle. Check with your CPA for your specific situation but in most cases, the IRS is going to be more understanding about expensing the costs of insurance if that insurance policy is written in the name of your business instead of in your individual name.

Reason #2 - Tickets. In North Carolina, speeding tickets and even accidents are not chargeable on a business auto policy. If you have a couple of speeding tickets, it will probably be cheaper to insured your business vehicle on a commercial auto policy than it will on a personal auto policy that can charge points against you for those tickets.

Now, if you have accidents and a bad driving record, the insurance company may not be as generous with the policy credits so you could lose any advantage you have here with a really back driving record.

Reason #3 – Title. If you have your vehicle titled in your business name, then you must have an insurance policy where the name of the policy holder matches the name on the vehicle title.

So, once you title the vehicle in your business name, you simply must purchase a business auto insurance policy.

Reason #4 – Nonowned Autos. In any business there will come a time when someone, be it an employee or even a friend or family member will run an errand for you.

When that happens, if an accident occurs, your business could be involved in the claim.

Your

[personal auto insurance policy](#)

will not protect your business from this kind of exposure.

However, you can add liability coverage, called nonowned auto coverage to your

[business auto insurance policy](#)

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This will provide protection to your business for liability from any vehicle that you don't own.

This is very important protection and costs very little; often \$100 per year or less.

At Clinard Insurance Group, in Winston Salem, NC, we specialize in helping all kinds of [small contractors](#)

with their business insurance needs.

We want to help all insurance consumers be informed consumers.

If you need help with your business or your personal insurance policies, please call us, toll free at 877-687-7557 or visit us on line at

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