

Many restaurant owners out there have vehicles that are owned in the corporate name. This can run the gamut from personal cars for the restaurant owner to vans used for pickups and deliveries. These vehicles, titled in the business name should always be insured on a [commercial auto policy](#) in the same business name. There is a wrinkle in the coverage protection in this instance that can leave an injured employee without any coverage and could perhaps, leave your restaurant vulnerable.

I'm not talking about DOC protection which of course is another dangerous wrinkle when your restaurant has company owned cars. To learn how to protect your personal assets from that particular coverage gap, [watch my DOC for restaurant owners video](#) .

The problem that I want to address in this particular blog really relates to the risks of injuries that could occur to one of your employees. Sure, you have [workers compensation insurance](#) in case one of them gets injured. If not, [read my blog on why you need to buy that coverage even if the law doesn't require it](#). But the problem that can occur with a company owned vehicle and your employee is best described with an example.

Let's say you send out an employee to make a delivery and since it is the last one of the night, you tell them to just drive the van home and bring it back when they come to work tomorrow. Now, assume that on the way home, after the last delivery was made, they have an accident that is their fault. Also assume that your employee is injured in this accident. Many restaurants do not offer health insurance to their employees so now where is this employee going to get the money to pay for his or her medical bills due to this accident? Well, the simple answer would seem to be that you just file a workers compensation claim for those injuries. After all, the employee was on the job. Wasn't he? Well, in North Carolina we are seeing that type of claim denied by insurance companies. The argument is that when the employee is using the vehicle for personal use (in this case driving home from work), then that employee is not covered by workers compensation.

Now what are the downsides for you, the employer? First of all, your employee may face overwhelming medical bills and may not be able to afford the help needed to get back to work as quickly as otherwise might be the case. Also, there is some risk to you, the employer that a sharp attorney may find a way to drag you into a long, drawn out legal case due to the fact that your vehicle was involved. The final result for you is unclear and difficult to prognosticate but

suffice to say, this is a situation that you want to be aware of and avoid if possible. I don't have an insurance solution for you except to say that if your employee has life insurance, health insurance and disability insurance then most of the gaps will be covered. If not, the best advice is to make sure that you don't provide company owned vehicles for your employees' personal use.

[Clinard Insurance Group, located in Winston Salem, NC](#) is an agency with a niche specialty in helping restaurant owners in both North Carolina and South Carolina with their restaurant insurance needs. We have developed specialized programs for several different types of restaurants so that you don't have to buy a one size fits all policy for your restaurant. We have a specialized [insurance program for](#)

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