

If you own a painting company, chances are you have had to purchase trucks and other vehicles to do your work. There are often very nice tax advantages to this decision. Hopefully you have correctly insured them, using a [commercial auto insurance policy](#). Trying to use a [personal auto insurance](#) for a truck titled in a business name can create huge problems for you in NC. Assuming that all of that is true, there is still one last hole to plug - I call it the DOC trap.

The DOC trap arises from the fact that a commercial auto insurance policy is designed to protect the business from losses. Often that business is an LLC, a corporation or even a partnership. So, if you cause a bad accident in your company truck, the protected entity here is the corporation, not you. This little problem can be solved if you have a personal auto policy in force that you bought to protect the cars that you own in your own name, or the name of your spouse. But some painting contractors get into a bit of trouble with their insurance policies when they overreach and put all of the cars that they own in the company name. Sure, the tax breaks are great if you don't get caught and speeding ticket points can be a thing of the past. But, without a personal auto policy, when it comes to a claim against you personally, you could be left holding the bag.

An example might help to explain this coverage gap. Let's say you are a painting contractor with 4 employees and your business is set up as a corporation. Now assume that you are single and you only need that one work truck that you drive and you have that titled and insured in the corporate name. Now, one day you fail to see a stop light and you slam into a van full of lawyers, all on their way to lunch. Several of them are severely injured and the hospital bills alone run up to \$235,000. When you call your insurance company to file the claim it all seems great and they pay the lawyers and send them on their way. But, NC commercial auto insurance policies have a clause that says that the insurance company own the rights of any claims that they pay. So now they own the right of your corporation's claim against you for causing that accident. This could mean that with a large claim, your own insurance company is now suing you for the damages caused in your accident. Where are you going to get your coverage? This is where DOC protection comes in.

DOC stands for drives other car and it will essentially allow you to add your name to your commercial auto policy to put you in the same position as your corporation in the event of a claim. Of course if you already have a personal auto policy, then your personal auto policy will respond in the same way for you, but often we see painting contractors whose only vehicle is the work truck that they have titled in the business name. The cost of DOC protection is often less than \$200 a year and you can also include your spouse in the coverage at no extra cost.

The DOC trap is just another example of why your painter's insurance program should not be a do it yourself project. You need an insurance agent who understands painting contractors and who insures dozens of them. Hiring an insurance agent who is a specialist in your field will almost always cost you less money. First of all, agents who write high volumes of accounts like yours are more likely to be able to get you the lowest rates, and their advice and help should be superior to an agent who has only insured a few painters in the past.

At [Clinard Insurance Group](#), located in Winston Salem, NC, we are a niche player in the business of insuring painting contractors. We do insure dozens of painters all over North Carolina and we understand your needs and speak your language. We would love to help you with your painter's insurance questions, just give us a call at 877-687-7557 or visit us on the web at www.LowRatesForPainters.com.