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Fourth Quarter 2014



Automobile Coverage Symbols - Keeping it Simple

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Do automobile coverage symbols $2 + 8 + 9 = 1$? When should symbol 7 vs. symbol 1 vs. symbol 2 be used? So often the mystery associated with choosing the right coverage symbol simply comes from trying to overthink the definitions. Let's break down the most frequently used coverage symbols using a straightforward approach:

Symbol 1 – Any "Auto" (used for liability only)

Any "auto". No need to add other symbols to extend coverage (most common request is to add 8 and 9 which is redundant). Coverage applies to any auto as defined in the definitions section of the automobile policy. Coverage also includes newly acquired vehicles that may not be scheduled on the policy.

Symbol 2 – Owned "Auto" only

Any *owned* "auto" listed on the policy or newly acquired after the policy begins. Coverage also extends to non-owned trailers (liability only) while attached to a power unit owned by the insured.

Symbol 7 – Specifically Described "Autos"

Only those "autos" specifically described in the policy. Coverage also extends to non-owned trailers (liability only) while attached to a power unit listed on policy.

Symbol 8 – Hired "Autos" only

Used for liability and/or physical damage coverages on leased, hired, rented or borrowed autos. Specifically excludes autos owned by employees, partners or members of their household (covered under "non-owned", symbol 9).

Symbol 9 – Non-Owned "Autos"

Used for liability only for "autos" not owned, leased, hired, rented, or borrowed by the insured and used in the insured's business. Most common exposure is employee using their vehicle in the scope of business.

Symbol 10 – Manuscript

Used in our aviation industry to limit coverage for liability on vehicles that are covered under the airport liability policy.

Note that coverage symbols 1 and 2 provide automatic coverage for the remainder of the policy period whereas coverage symbol 7 offers limited automatic coverage IF:

- ◆ Auto replaces an auto which had SAME coverage
- ◆ Coverage already provided for ALL owned autos
- ◆ Insured notifies company within 30 days of acquisition

The most recommended use of symbols is "1" or "2" for liability and "2" for physical damage coverage. Most underwriters, however prefer to use symbol "7" on physical damage to avoid picking up unknown exposure.

Symbol 7 should be used if there are multiple automobile policies in force to avoid the possible "stacking" of liability limits in specific states.

I have only addressed the most commonly used coverage symbols for this article. Some states mandate no-fault or UM coverages that can be accommodated with specific symbols not addressed here. Your underwriter will be able to assist you on the best use of coverage symbols to provide optimal coverage based on the individual characteristics of the account.

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