

# Seven Commercial Vehicle Insurance Myths Debunked

By Ryan Furmick, business auto product manager, Progressive Commercial

Your vehicles are the backbone that keeps your business up and running. But when it comes to the insurance for those vehicles, there may be some misconceptions floating around out there. For example, you might have been told that it's okay to cancel your vehicle insurance in the off-season, or that all of your drivers are automatically covered by your policy.

To help you get to the facts about commercial auto insurance, we've collected some of the more widely-held misconceptions and uncovered the truth about them--along with some tips on how to make sure you have the right coverage's for your business.

## **1. Myth: It's cheaper to cancel your insurance if you have a seasonal business.**

Fact: Not necessarily. If you cancel your insurance policy, your stored vehicles won't be protected. A Comprehensive-only policy provides coverage for a business that doesn't need liability coverage during certain months, but needs basic protection against incidents, such as vandalism, theft, falling tree branches, hail, etc. This is ideal for vehicles that sit for long periods during off-season.

Plus, a Comprehensive-only policy provides continuous insurance which may save you money in the long-run. If you drop your insurance completely, you may pay significantly more to purchase a new policy when your peak season rolls around because most insurance companies ask for proof of continuous coverage to get you the best rate.

## **2. Myth: All commercial vehicle insurance companies use their own claims adjusters.**

Fact: Most companies use part-time or contract adjusters to handle commercial vehicle claims, which can slow down the time it takes to get your vehicle back on the road and in business. Progressive handles 100 percent of its commercial vehicle insurance claims with its own staff of in-house commercial insurance experts, making sure claims are processed faster than other insurers that outsource this work.

## **3. Myth: You must pay your insurance premium in full up-front.**

Fact: This isn't always the case. Some insurance companies offer payment plans that allow your insurance premium to be paid in installments, with very little initial payment. Keep in mind that you might qualify for a discount if you pay your policy premium in full up-front; however, your carrier or agent may also have other bill plan options available to help you manage your cash flow. Progressive, for example, offers several bill plans, including low initial payments and no interest financing

## **4. Myth: Your employees are covered when they drive your business vehicles.**

Fact: Some vehicle insurance companies will only extend coverage to drivers who are specifically named on the policy. Make sure your insurer allows "permissive use," which means that all of your drivers are covered as long as they have your permission to operate the vehicle.

**5. Myth: It's cheaper to buy all of your business insurance products from the same company.**

Fact: You need a wide range of coverage's to protect your business, from commercial vehicle insurance and general liability to workers' compensation. While it might be easier to buy all of these products from the same company, you could save big bucks by buying your policies from separate providers. Shop around to find the best deal, or ask your local agent for quotes from several different companies.

**6. Myth: All insurance companies offer 24/7 service.**

Fact: Many insurance companies are only available during regular office hours, which can make filing a claim, adding a vehicle to your policy, and paying bills inconvenient. Before you buy, check with your insurance company to make sure they're available when you need them.

**7. Myth or Fact**

Wonder if one of your perceptions about vehicle insurance is myth or fact? Talk to a local agent. They can provide answers and help you determine which coverage's are right for your business.

*Ryan Furmick is a business auto product manager for Progressive Commercial. Progressive, in business since 1937, is a market leader in commercial auto insurance. For more information on Progressive's coverage's or to find a local independent agent, go to <http://www.progressivecommercial.com>.*