Understanding Auto Coverage

We are regularly asked about auto coverage and what the symbols mean on the Certificate of Insurance (COI), including the type of coverage needed. Below is an explanation of the auto symbols and how they apply to various agreements.

Covered Auto Designation Symbols

The numbers are called “covered auto designation symbols” and they represent the type of vehicle that is protected by the applicable liability or physical damage insurance limit. As you review the symbol definitions, it is important to remember several points.

- First: the symbol may apply to a particular kind of vehicle OR to the vehicle’s ownership status.
- Second: “auto” is a defined term, so you must be familiar with that policy’s definitions (they can vary among different insurance companies).
- Third: the symbols differ depending on whether the coverage is for liability or physical damage. If symbol 1 is used, no other symbols are needed. However, a combination of the other symbols is normal when symbol 1 is not used.

Liability Coverage Auto Symbols

1 Any “Auto”

This is the broadest symbol designation and covers any “auto.” Use for liability insurance only. Includes coverage for owned, non-owned, and hired autos. Provides automatic coverage for autos the newly insured acquires.

Do not use for no-fault, medical payments, uninsured or underinsured motorists, or physical damage coverages.

2 Owned “Autos” Only

This symbol covers any “auto” owned by an insured, including any “auto” that is acquired after the policy begins. The symbol also applies to any “trailer” while it is towed by an owned vehicle. Applies only to autos owned by the insured, and for liability coverage on any non-owned trailers while attached to power units the insured owns. Provides automatic coverage for autos the newly insured acquires.

Use for liability, medical payments, uninsured and underinsured motorists, or physical damage coverages, except for towing and labor.

3 Owned Private Passenger “Autos” Only

This symbol covers only private passenger type “autos” owned by the insured, including any private passenger type that may be acquired after the policy begins. provides automatic coverage for private passenger autos the insured newly acquires. Use for liability, medical payments, uninsured and underinsured motorists, physical damage coverages, or towing.

4 Owned “Autos” Other Than Private Passenger “Autos” Only

This symbol covers all “autos” other than private passenger type “autos” (vans, trucks, motorized equipment) owned by an insured, including such vehicles that may be acquired after the policy begins. The symbol also applies to any “trailer” while it is towed by an owned vehicle. Provides automatic coverage for other than private passenger autos the newly insured acquires. Use for liability, medical payments, uninsured and underinsured motorists, and physical damage except towing.

5 Owned “Autos” Subject To No-Fault
Any “auto” owned by an insured that is garaged or licensed in a state where no-fault benefit laws exist. This symbol also applies to any “auto” acquired after the policy begins. Provides automatic coverage for autos the insured newly acquires where no-fault is required by law. Used only for P.I.P. and Additional P.I.P. (Personal Injury Protection)

6 Owned “Autos” Subject To A Compulsory Uninsured Motorist Law
Any “auto” owned by an insured that is garaged or licensed in a state where drivers are required to carry uninsured motorist coverage. This symbol also applies to any “auto” acquired after the policy begins. Provides automatic coverage for autos the newly insured acquires where rejection of Underinsured Motorist is not permitted by law.

7 Specifically Described “Autos”
Only those “autos” that are specifically listed on the policy are covered. The symbol also applies to any “trailer” while it is towed by a listed vehicle. Applies only to those autos described on the schedule for which a premium charge is shown, and for liability coverage on any non-owned trailers while attached to power units the insured owns.

Provides no automatic coverage for autos the newly insured acquires. The company must be notified of newly acquired autos within 30 days. Used for all coverages.

8 Hired “Autos” Only
This symbol covers only those “autos” that an insured leases, hires, rents, or borrows. HOWEVER, it does NOT include “autos” leased, hired, rented, or borrowed from an employee, partner, or member of an insured’s household. Applies only to those autos leased, hired, rented, or borrowed by the insured. This does not include any auto leased, hired, rented, or borrowed from any of the insured's employees or member of their households.

Can be used for all coverages except no-fault, towing, and labor. For medical payments, this symbol applies only to funeral directors.

9 Non-owned “Autos” Only
This symbol covers only those “autos” an insured does not own, lease, hire, rent, or borrow that are used in the insured’s business, including “autos” owned by employees, partners, or members of an insured’s household, but only while those non-owned “autos” are used either in the insured’s business or personal affairs. Applies only to those autos not owned, leased, or hired by the insured that are used in connection with the insured's business.

Used only for liability coverage.

If the vendor will use an automobile in any phase of the work performed for your Entity you should also require evidence of automobile liability insurance. In some cases, the vendor will not own automobiles and therefore may not purchase full automobile liability coverage. Regardless of whether or not a vendor owns any autos of their own, they should carry coverage for their non-owned and hired automobile exposure. Non-owned and hired automobile liability insurance covers vehicles owned by vendors' employees and protects your entity from claims arising out of the use of personal or rented vehicles used in the course of business. To verify coverage, request a certificate of insurance listing the carrier, coverage terms and covered auto symbols – hired is **symbol 8** and non-owned is **symbol 9**. If you are dealing with a sole proprietor, proof of personal auto coverage should be required, though you may have to accept less than a $1 million limit.

Typical insurance specifications will read as follows:

Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if the Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than $1,000,000 per accident for bodily injury and property damage.

Obviously, the amounts of coverage will be determined by the exposure. For example, auto coverage for vehicles transporting passengers would have a minimum limit of $5,000,000. If you have questions refer to the Contractual Risk Transfer Manual or contact Robert May at 760-221-8205.