

## ***Insurance Protection for my Trailers: Personal vs. Commercial***

We are frequently asked about when a trailer is covered. Some insured's believe that trailers are insured automatically by the vehicle towing it. Some insured's know that the trailer must be specifically insured and added to the auto policy.

The reality, both are correct! However, the "devil is in the detail" which I would like to share with you:

A personally owned automobile that is insured under a family auto policy automatically extends insurance coverage to a trailer (for liability only) while in tow for the NAMED INSURED. The Family Auto policy will defend and provide coverage for an accident involving a trailer, where the Named insured is sued, per the terms and conditions of the policy. If the trailer is owned by the same NAME as listed on the family auto policy, then both the named insured (on the insurance policy) and the trailer owner will have insurance protection. However, most Family Auto policies have an exclusion that voids coverage if the vehicle/trailer is used in the service of a business.

A commercially owned automobile insured on a Business Auto policy will afford automatic insurance coverage for trailers ONLY when the Gross Vehicle Weight (GVW) is 2000 lbs or less. That is a very small trailer! Other than this small exception, a Business Auto policy does not extend liability coverage to trailers. You must specifically schedule your trailer on the Business Auto policy like all other vehicles to be insured.

Is there a problem if I have a boat and trailer (greater than 2000 GVW) that is personally owned and I tow it with my Commercial vehicle? YES!! There will be no coverage extended by the Business Auto policy to that boat and trailer. Only your Family Auto policy will automatically extend insurance as stated above.

When ever you are in doubt about your insurance coverage you should call your insurance agent with specific details of concern so that they can give specific detailed answers for your protection or contact me with your questions.

Very truly yours,  
Middleton & Company Insurance

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How you protect it, is OUR Business!"