



## Insuring your private vehicle on a fleet policy

It's common practice for many directors to insure their own vehicles on business fleet policies. But did you know there might be a better option?

The reason many directors and business owners do this is that it's a convenient and easy way to source cover. It also usually gives wider driving permissions than a standard motor policy.

Many commercial motor fleet insurers will accommodate the request for private vehicles to be added although a few will have limitation.

*In all cases you must declare vehicles which are registered in the name of directors or staff so that these can be noted by insurers. Failing to do this could mean a claim is declined by insurers based on the company having no 'Insurable interest' in the vehicle. Remember, a limited company and private individuals are separate entities and are treated as such by insurers.*

## What is our advice when insuring high spec vehicles on commercial fleets?

Unless the vehicle the directors are using are specifically for business then our advice is to investigate whether to insure these separately via more a specific policy.




This is particularly the case for high spec vehicles.

The cover provided by a commercial fleet policy will not be the same as one provided by a high net worth motor policy and, in many cases, the high net worth motor policies can be even more competitively priced than a commercial fleet.

In the case of a high spec vehicle, here are the advantages and disadvantages of insuring on both basis's.

### COMMERCIAL FLEET

#### Advantages

-  Easy to arrange
-  Often the cost is flat rated
-  Often wide driving allowances



## Disadvantages

- ⚡ In the event of an accident, the courtesy vehicle provided is likely to be of a significantly lower spec, if any courtesy vehicles is provided at all.
- ⚡ You will have less control of where the repairs are carried out. Many of our policyholders like to have their Porsche's or Range Rovers repaired main dealers rather than have generic garages do the work.
- ⚡ If the vehicle is written off, clients often find the valuation based on commercial terms to not be as they expect them to be. This is because settlement is not on agreed value basis.
- ⚡ There is always a risk that you fail to note the vehicle is privately owned which could cause an issue with a claim being covered.
- ⚡ You could well be paying more.
- ⚡ You will not be building any personal no claims bonus.
- ⚡ Potential restricted European driving.



## HIGH NET WORTH POLICY

### Advantages

- ⚡ Can be more cost effective.
- ⚡ Depending on the policy, you can have full control of where your vehicle will be repaired.
- ⚡ Agreed value in the event your vehicle is written off.
- ⚡ Tailored driving restrictions including allowing you to drive any vehicle fully comprehensively and wide driving permissions on who can drive your own vehicle.
- ⚡ Potentially include European travel and breakdown as standard.
- ⚡ Like for like courtesy vehicle replacement.
- ⚡ Builds up your no claims bonus

### Disadvantages

- ⚡ Can be more difficult to arrange in the first year.
- ⚡ Some company owners argue this is less tax deductible than insuring via a fleet.
- ⚡ Work driving allowances may need to be added.



*Always consider carefully whether your high spec vehicles should be insured on a commercial fleet. Give Movo a call for further advice on your personal circumstances.*



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*This article is designed to give you a broad idea of what can be done and should not be relied upon in isolation.*