

# Auto Insurers Asked to Waive Commercial Use Exclusion during COVID-19 Shutdown



**Brian Pipkin**

bpipkin@mwlaw.com  
(501) 688.8858



**Zachary Steadman**

zsteadman@mwlaw.com  
(501) 688.8892

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In this time of shutdown orders and social distancing, businesses have been forced to rapidly adapt. The service industry, and especially restaurants, have quickly pivoted to providing delivery services with wait staff and other employees using their personal vehicles to make delivery runs. Other businesses, such as grocery stores and pharmacies, have also begun offering delivery to encourage social distancing.

A problem for these businesses in the transition to delivery services is insurance coverage. For employees using their personal vehicles to make deliveries, there is the fact that private passenger auto policies almost universally contain a “commercial use” exclusion, which excludes any liability or property damage incurred while the insured is using their personal vehicle for commercial purposes. For businesses, their commercial general liability coverage may not include commercial auto coverage or certain employees may not be named drivers under such coverage.

Recognizing these problems and the socially-valuable nature of the services these employees and businesses are providing the public, state insurance regulators have been begun issuing bulletins calling for auto insurers to waive commercial use exclusions in the private passenger auto policies of employees, particularly restaurant employees, using their personal vehicle to make deliveries during the pandemic. Other state insurance regulators have called for auto insurers to consider liberalizing coverage for these temporary delivery drivers by endorsement. At least two states have called for commercial general liability carriers to offer similar expanded coverage to their insured restaurants or businesses transitioning to delivery.

[Download the chart](#) of state bulletins to auto insurers regarding waiver of commercial use exclusions and other matters. We will update this chart as additional guidance is issued.