Can someone drive my car if they are not on my insurance?

Car Insurance FAQs · https://midcolumbiainsurance.com/faq/can-someone-drive-my-car-if-they-are-not-on-my-insurance



If you're considering loaning your car to a friend, you may have a few questions you would like answered. Does the car owner's insurance cover an accident or does the driver's insurance? Does your policy automatically cover anyone you let borrow your car? Do you have to pay higher rates if a high-risk driver happens to live with you? Will the driver's insurance pay to fix your car?

You want to be sure who is covered to drive your car before you let them drive it. If you have the slightest doubt, ask your insurance agent.

Lend Your Car - Lend Your Insurance

Most people assume that when they loan their car to someone, that person’s insurance would pay for any damages they caused in an accident. But insurance is tied first to the car and then to the "listed drivers" on the policy. So when you give someone else permission to use your vehicle, it is the insurance on your car that will be used to cover any damages they cause.

Insurance follows the car, not the driver. So, if you lend your car to someone, there is a risk that they could get into a car accident. If that happens, your auto insurance would act as primary coverage – and could cause your rates to go up.

Bodily Injury and Property Liability Insurance

If you lend your car to someone and they cause an accident that injures someone else or damages someone else's property, your own bodily injury liability and/or property liability coverage will need to cover the claim.

What about the driver's insurance? If the driver has their own insurance, then it is considered secondary. This means that if the damages exceed your policy limits, the driver’s insurance would act as backup coverage. and if the two combined are not enough to pay the total damages, both you and your friend could be sued for damages.

Comprehensive and Collision Coverage

Collision coverage, if you have it, pays to fix any accident-related damage to your vehicle and your comprehensive coverage would fix most other damage that isn’t collision-related, such as hitting a deer or a windshield crack. All you would have to pay is your deductible unless you are able to get your friend to chip in.

If you don’t have comprehensive or collision coverage and your friend damages your car, your insurance will not pay to fix the damage. Even if your friend has their own collision or comprehensive coverage, their policy likely won’t cover any damage to your vehicle since it is your responsibility to protect your car. This could be an awkward conversation with your friend.

Permissive Use vs Regular Use Drivers

Most policies require anyone 15 or over who lives in your household to be either listed as a driver or excluded from coverage. Also, anyone who has regular access to your vehicle must be listed as a driver in order to be covered. These are considered "regular use" drivers.

Failure to list household members or those who have regular access to your vehicle could jeopardize your coverage in the event of a claim. It is best to add all household members and any frequent borrowers to your policy to make sure your insurance will pay should an accident occur.

> Are you letting your newly licensed teenager 'borrow' the car to run to the store for you? You need to add them to your insurance policy.

Unlisted drivers who do not live in your household and who do not have regular access to your vehicle normally would be covered under your policy as long as you have given them permission to drive your car. This is called "permissive use" and is designed for out-of-the-ordinary instances when another driver borrows your vehicle. These drivers may include immediate or extended family, friends, or even a boyfriend or girlfriend as long as they don't live with you and don't have regular access to your vehicle.

Some companies have restrictions on permissive use coverage. For example, your auto insurance policy may only apply to someone who borrows your car for less than 2 days in a row, or that they must be 25 years of age or older. Some companies in Washington even reduce the liability limits to the state minimum if an unlisted driver has an accident.

> Do you leave the keys to your old truck in a place your neighbor has access to so they can borrow it anytime they needs it? The insurance company may consider that they have 'regular access' to your truck and deny coverage if they wreck your vehicle.

Adding drivers can affect your rate. Adding a younger person or someone with a poor driving record could raise your rates. Adding a more mature driver with an excellent driving record could actually lower your rates. If a household member will not be driving your car and you do not wish them to be rated on your policy, ask your agent about excluding them as a driver.

It is in your best interest and it is your responsibility to check with your insurance agent to make certain your policy is set up properly and that the list of drivers is kept up to date.

Your Insurance May Not Cover Someone Else’s Accident

Your car insurance may have exclusions, exceptions, and/or limitations that prevent the policy from paying for damages in certain situations. It is imperative to ask your insurance agent about any such limitations before you hand your keys over to anyone who isn’t a listed driver on your policy.

Exceptions can include things such as:

- Broadform and Non-Owner Policies: Some owner-only insurance policies cover only when the policy owner is driving and no one else.
- Limited Liability and Under 25 Exclusions. Some policies remove all permissive use or just remove it for anyone under 25.
- Commercial/Business Activity: If your friend borrows your car to offer rideshare services such as Uber or Lyft or does food delivery for the local pizza joint, DoorDash, or Grubhub, your policy may not cover that driving.

Final Considerations

It can be hard to say no to someone who asks to use your car. But before saying yes, decide whether you trust the borrower to drive safely since a single accident could have a lasting impact on your finances.

Anytime you let someone borrow your car, you are taking a gamble on them. According to the Insurance Information Institute, the median jury award for vehicular liability in 2020 was over $50,000. The average was over $200,000!

As with anything else, use good judgment and common sense. Make sure you are fully aware of the liability you may be opening yourself, and your auto policy, up to before handing over your keys. Don't be cavalier about lending your car. If you know someone isn't a good driver, think twice about giving your permission. Any crash they're in could go on your insurance record and depending on the severity, could expose you to significant financial liability. You could be sued, a lien could be placed on your home, and your your future wages attached.