**Commercial auto insurance** is a specialized business policy that covers vehicles—such as cars, trucks, and vans—used for work purposes. It provides liability and physical damage protection for scenarios not covered by personal auto policies, including transporting goods, hauling equipment, or employee driving. Coverage typically includes bodily injury, property damage, and damage to owned or hired vehicles.

**Key Components of Commercial Auto Insurance**

- Liability Insurance: Covers bodily injury to others and property damage if you are at fault in an accident.
- Physical Damage Coverage: Includes collision (damage from accidents) and comprehensive (theft, fire, vandalism) insurance.
- Uninsured/Underinsured Motorist: Protects your business if an accident is caused by a driver without sufficient insurance.
- Hired/Non-Owned Auto Liability: Covers vehicles you rent or employees use for company business.

**When Is It Needed?**

- Owning or leasing vehicles in the business name.
- Employees driving company-owned vehicles.
- Using personal vehicles to transport clients, goods, or equipment for work.

**Commercial vs. Personal Auto Insurance**

Personal auto policies generally exclude accidents that occur while using a vehicle for business. Commercial policies often have higher liability limits (frequently $500,000 to $1,000,000) to cover the increased risks associated with business operations, especially for heavy vehicles.