



## SPECIAL FEATURE

### Ask an Expert Challenge:

Bob is driving his own car to the office supply store. He is doing an errand for his employer, Acme Anvil Co. He has a personal auto policy with \$300,000 of liability coverage, collision, and a Personal Umbrella [PUP] of \$1,000,000. Acme has a Business Auto Policy [BAP] with hired and non-owned auto coverage at a limit of \$1,000,000. Acme's insurance includes "Employees as Additional Insured" [EAI].

Bob causes an accident that results in damage to his car and \$10,000 damage to a stopped vehicle. There are three passengers in the car who all claim injuries of various severity. They sue Bob and Acme. The court awards the injured passengers \$500,000 from Bob and \$750,000 from Acme.



Bob's auto insurance pays for the damage to his car (less deductible), his legal expenses and up to \$290,000 of the judgment (his \$300,000 limit of liability less the \$10,000 paid for the damage to the other vehicle.) Acme's insurance pays for their legal fees and the \$750,000 award, leaving just the judgement against Bob in excess (\$210,000) of his PAP coverage.

**With regard to the judgment against Bob in excess of his PAP: Which do you think would kick in first, Bob's PUP or Acme's EAI? Why?**

Submit your response to [michael.welch@iiaba.net](mailto:michael.welch@iiaba.net). One answer will be chosen at random to receive a \$10 gift card.

Winner to be announced next week along with the [Ask an Expert](#) responses from [Virtual University](#).