



How to Buy Non-Owner's Car Insurance

by Laura Agadoni

If you don't know much about nonowners car insurance or have just found out it exists, there's a reason. Though most insurance companies carry it, they don't really talk much about it. Nonowners car insurance might not take top priority at some auto insurance companies, but that doesn't mean it might not be valuable for you.

What It Is

Nonowners insurance is for people who don't own a car but sometimes drive cars anyway. Maybe they borrow a friend's car, or maybe they travel often and rent cars when they do. If you drive cars sometimes, consider buying nonowners insurance that provides you with liability coverage. It typically costs only a few hundred dollars a year but could save you a fortune paying for damage or injuries to another driver if you are found at fault in an auto accident.

How to Get It

Call different car insurance companies to shop for the best quote. Most companies offer it. Or if you don't have time to call yourself, contact an independent insurance agent or website to advise you. The amount you pay varies depending on several factors, such as your driving history, how much you will drive and how much coverage you want. But you will likely pay less than you'd pay for insurance while owning a car.

Why You'd Need It

If you borrow a friend's car, his insurance policy might cover you if you are in an accident. But if he has minimal coverage, it might not pay the entire claim if you are sued. If you rent cars often, it might be cheaper for you to buy nonowners insurance than it would be to pay the insurance offered by the rental car company. Rental car companies typically charge between \$7 and \$14 a day, according to the Insurance Information Institute. Calculate how much you pay in a typical year for rental car insurance, compare that number with what you would pay for nonowners insurance for the year, and go with the option that saves you the most.

SR-22 Form

Nonowners insurance might be just the ticket if you've been convicted of a moving violation and you don't own a car. If that happens, depending on your state's rules, you might need to file an

SR-22 form, which is a form that auto insurance companies file to prove you carry auto insurance. Sometimes your license is suspended because of a moving violation. If you were driving an uninsured car, for example, and were in an accident, you might have your license suspended. It will usually be reinstated once you have auto insurance, and that includes nonowners insurance.

What It Doesn't Cover

Nonowners insurance typically does not cover damage you do to the car you are driving; it covers only damage you do to someone else or his vehicle. This goes for rental cars, too. If you are concerned about damaging a rental car, you would need to buy a collision damage waiver from the rental company even if you have nonowners insurance. Nonowners insurance also does not cover any cars you do own when you drive them. That also applies to any vehicles at your household, such as your children's cars.