



Insuring a rental vehicle: what do I really need?

Advice for consumers

What does the rental clerk actually know about insurance?

The Ohio Department of Insurance (ODI) shares these facts* with consumers:

1 The rental employee is prohibited from saying or implying that purchasing insurance from them is required.

2 Rental company employees are prohibited from saying or implying that they are qualified to evaluate whether you have adequate existing insurance coverage for your rental needs.

3 ODI prohibits employees from "indicating in any way that your current insurance policies do not or might not provide duplicate coverage to what is being offered."

* ODI rules apply to rental organizations operating in Ohio. If you are renting a vehicle in another state, its regulations will apply. U.S. policies do not apply to travel abroad.

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Car rental insurance is something many of us don't think about until we get to the rental counter. There we often just guess, wondering if we really need the coverage they offer.



Don't leave your decisions to guesswork. The truth is you probably *don't* need everything they're selling. Here's our advice.

Step 1. What coverage do you have?

Your first step is easy. Call us to clarify what your auto insurance covers and whether it extends to a rental car, truck or trailer. Just as important, ask what your policy *doesn't* cover.

Tell us if you plan to rent a vehicle for vacation, business or moving things. Your existing coverage might be adequate. Some personal auto policies don't cover vacation rentals but do cover rentals if your car is being repaired due to an accident. If you're renting for business, your employer's policy might already cover you.

If you rent vehicles frequently, consider a rental car endorsement. This could save you money over time.

Step 2. Know what to expect at the rental counter

Whether you're renting a car, truck or trailer, most rental companies will offer you a Collision Damage Waiver (CDW) to cover collision damage to the rented vehicle.

CDW isn't insurance. It's a waiver stating the rental company will waive the rental contract provision that makes you liable for:

- Losing or damaging the vehicle while you are renting it, whether or not it's your fault
- The cost to repair or replace the vehicle
- The loss of income to the rental company while the rental vehicle is being repaired

If you say yes to CDW, the rental company takes on your liability. The waiver can be voided under some circumstances. Find out what they are.

If your personal comprehensive and collision

insurance cover a rental vehicle, the coverage handles only the cost of damage or replacing the vehicle. It does not cover the income the rental company lost while the vehicle was being repaired – a cost you'd be expected to pay. When in doubt, ODI suggests you pay for CDW.

Some credit card companies offer CDW-like coverage if you pay with their card. We advise calling the credit card company for details, as offers vary and can be complex.

Other types of insurance

The rental clerk will also offer these coverages:

- **Liability or Supplemental Liability Insurance.** Your personal auto policy probably covers liability while driving a rental. Check with us. Ask if your liability insurance applies if another family member drives the rental.
- **Personal Effects Insurance.** PEI covers damages to or loss of personal belongings in your rental car. Homeowners insurance might cover part of this, but find out the amount covered, what belongings are excluded, and the deductible. Then you can decide if you need PEI.
- **Personal Accident Insurance.** This covers medical and ambulatory costs related to accidental injury or accidental death while renting the vehicle.

For each type of insurance, ODI requires the rental company to give you a factual brochure that explains the insurer's coverage, exclusions, limitations, provisions, how to file a claim and more. Read this brochure before you decide.

Gather these facts now, and you'll be able to step up to the rental counter with confidence.

Sources: Ohio Department of Insurance, PIAA of Ohio

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