

Rental Car Insurance



Consumers 1-800-686-1526 • OSHIP 1-800-686-1578 • Fraud & Enforcement 1-800-686-1527

Many Ohioans will rent a car sometime in their lives, whether for business, moving, or pleasure. One of the big questions when renting a car, truck, or trailer usually is “Do I need the insurance the rental car company is offering?” The following tips have been gathered to help you make an informed decision on whether or not you should purchase insurance from the rental car company.

What coverage is normally offered through my rental car company?

• Collision Damage Waiver (CDW)

It's important to remember that this is not insurance. Rather, the rental car company is offering to waive the provision in the rental contract that makes you legally liable for loss of or damage to the rental car while it is in your possession, regardless of fault.

If you carry comprehensive and collision insurance on your own vehicle, your company may or may not extend that coverage to a rental car. However, even if they do cover the rental car, they would only pay for the cost to repair or replace. They would not cover the loss of income to the rental company for which you may be liable. Some companies now offer optional rental car coverage as an endorsement to your personal auto policy, even if you do not carry comprehensive or collision coverage on your policy. You should check with your agent or company to see what coverage you have or is available to you.

Some credit cards also provide insurance equivalent to CDW when you charge the rental car to the credit card. Check with your credit card company to learn if this protection is provided or available.

When in doubt, it is probably a good idea to accept the CDW from the rental car company.

• Liability Insurance and Supplemental Liability Insurance (SLI)

If your actions while driving a rental car cause bodily injury and property damage to others, you will be legally liable. Most personal auto policies do extend liability coverage to you while driving a rental car, but you should check with your insurance agent or company to be sure and to what extent coverage applies. If others will also be driving the rental car, be sure to find out if liability coverage will apply to them.

Many rental car companies offer Supplemental Liability Insurance that would pay the difference between the liability limits available under your personal auto policy and \$1,000,000. If you have no auto liability insurance or if you carry low limits of liability, you may want to consider this additional protection.

• Personal Effects Insurance (PEI)

Many rental car companies offer insurance to cover loss or damage to your personal belongings during your rental, which may duplicate coverage already provided by your homeowners / renter's policy. If you have no homeowners policy, or if you have a high deductible, you may want to consider this coverage. Coverages vary, so before deciding, be sure to review the brochure the rental car company must provide to learn what is and what is not covered for the cost.

• Personal Accident Insurance (PAI)

Many rental car companies offer insurance for accidental injury or accidental death during your rental. Coverage varies, so before deciding, be sure to review the brochure the rental car company must provide to learn what is and is not covered for the cost.

Continued on page 2 ➔

What should I expect from the rental car company?

The Ohio Department of Insurance prohibits rental car employees from:

- Stating or implying that the purchase of rental car insurance is required in order to rent the car.
- Indicating in any way that your current insurance policies do not or might not provide duplicate coverage to what is being offered.
- Indicating in any way that they are qualified to evaluate the adequacy of your existing insurance to meet your needs.

The Ohio Department of Insurance also requires rental car companies to provide you with a brochure for each type of insurance they offer to you. Each brochure must:

- Provide a clear and accurate summary of the material terms, exclusions, limitations and conditions of the insurance.
- Identify the insurance company providing the coverage.
- Explain the process for filing a claim and include a toll-free telephone number.
- Inform you that the insurance may be a duplication of coverage provided by your personal auto or homeowners policy or another source of coverage.
- Inform you that the rental car agent is not qualified to evaluate the adequacy of your existing insurance.
- Contain the rental car agent's name, address, telephone number and license number.

When considering coverage offered by a rental car company, review the brochures to understand what is and is not covered. Remember that collision damage waiver (CDW) is not insurance.

Are there other options for meeting my insurance needs?

If you have purchased travel insurance for your trip, it may include some of the same coverages offered by the rental car company.

What specific questions should I ask my insurance company or agent?

- Will my auto policy cover me while driving a truck rented for moving?
- Will my auto policy cover me while towing a rented trailer?
- Will my auto liability insurance cover me while driving a rental vehicle?
- Will my auto liability insurance cover my wife, son, etc. while driving a rental vehicle?
- Will my auto physical damage (comprehensive and collision) insurance cover loss of or damage to a rental vehicle?
- Am I able to buy a policy or endorsement that will cover my liability to the rental car company for loss of or damage to the rental car, include loss of their rental income on the car while it is out of use?

Questions or concerns?

The Ohio Department of Insurance regulates agents and companies that are licensed to sell insurance in our state. The Department's Consumer Services representatives can answer your insurance questions and investigate your complaints about an insurance company or agent, contact the Department at **1-800-686-1526**.