



NEW ENGLAND INSURANCE SERVICES, INC.

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### ***AUTO RENTAL CONCERNS***

Not all car rental agreement contracts are alike and it would be to your advantage to understand the rental agreement before you walk away from the counter. Important things to keep in mind when renting a car:

- a. **Do purchase** the rental company's "loss damage waiver." It is worth the piece of mind for a small daily charge to be able to walk away from a damaged vehicle at the end of the rental period. Most rental contracts have a "*replacement value* clause" with regards to damage to their own vehicle. While you are protected under your own insurance policy for comprehensive and collision damage to rental vehicles (assuming you had purchased comp and collision coverage on your own auto policy). You are only protected for the actual cash value (less your deductible) equal to your own car and not the *replacement value* of the rental car. For example, if your auto policy insures a Ford Escort and you damage a rented Jaguar, your auto policy will only pay up to the value of the Escort not the replacement value of the Jaguar. By purchasing the rental company's loss damage waiver, you close the gap between the actual cash value of your vehicle and replacement value of the rented vehicle.
- b. **Note** that in some states your personal auto policy "defines" autos as a private passenger type auto, pickup truck or van. Check with your agent if you expect to rent other types of auto i.e.: trailers of any type, U-Haul/Ryder type moving trucks, etc. They will have to check with your insurance carrier to determine what, if any, coverage is available. If coverage is unavailable, this is another reason to buy their "loss damage waiver."
- c. Most rental contracts have provisions where you agree to pay them *loss of use and/or administrative charges* for damaged vehicles. Your auto policy **does not protect** you for this. Another reason to purchase their loss damage waiver.
- d. Most rental contracts protect you for liability insurance (bodily injury and property damage to others) on a *primary* basis making **your auto liability coverage excess** when the rental company's liability coverage is exhausted.
- e. **Do** bring a copy of your auto policy coverage page with you on vacation so that in the event of an accident, your own insurance information is readily at hand. Some rental companies require a copy of your insurance policy.
- f. If your rental contract lists *authorized drivers*, **make sure all drivers who will be operating the vehicle are listed on the contract**. If an accident occurs due to an unauthorized driver, it may void insurance coverage under both the rental contract and your insurance policy.
- g. **Do** check with the credit card company that you plan to use to secure the rental contract, many credit card companies offer insurance plans *automatically* at no cost to you. Knowing what additional coverage you may have available will be an added piece of mind as well as protection.