



## Rental Car Coverage

Why we recommend you purchase Collision Damage Waiver.

Yes, we are now recommending that all of our clients purchase the Collision Damage Waiver (CDW) at the time they rent a car. We make this recommendation for your protection. Each rental car company has their own contract that you are required to sign before you can drive their car. When your signature is a part of the contract you have made some promises to the company that your auto policy may not be able to provide coverage for. We don't want you to be caught in a situation where you have promised to pay for something that may not be afforded by your auto policy. Below are just three of the promises you make to the rental car company that your auto policy may not cover.

### I didn't promise to pay for that!

1

Most rental car contracts use terms such as full value, replacement or diminished value. Your auto policy covers the lesser of the "actual cash value" of the vehicle or the amount "necessary" to repair or replace the damaged vehicle. In many contracts, the rental car company has the right to determine the value of the vehicle. That may well differ from the "actual cash value" that your auto policy offers to pay.

2

### You want me to pay that now!

The rental contract may require immediate reimbursement for damages, and it is a customary practice for the rental company to charge your credit card. This can create a significant debt or "max" out the card's credit limit. While your auto policy may provide coverage for the damages, it can't pay for them immediately.

3

### Seriously? You are going to charge me for loss of what?

That would be loss of revenue. Yes, when you sign the rental car contract, you agree to pay them for the loss of revenue they might experience should your rental car be in an accident and is out of use for a while. Your auto policy has limited coverage for these charges.

Collision Damage Waivers generally cost between \$20.00 and \$30.00 per day. There is no doubt that it is a significant addition to the charge of a rental car. In weighing those costs, bear in mind that if you purchase the CDW and cause damage to the rental car or if it is damaged while in your care and custody, you can return the car and have no responsibility to pay for the damages. You can return the car smashed and smoking and still just walk away. No worries about whether your auto policy will pay for the damages, no deductible to pay and no hassles. It is the only way to protect yourself against possible financial loss.

If you are soon to rent a car and have any questions, please give us a call.