

Why You Should Purchase the Rental Car Damage Waiver

For a short-term rental there are several reasons why purchasing the *Damage Waiver* is in your best interest. This is becoming more and more important as rental car companies are charging ever-rising fees for things NOT covered by most auto policies.

Valuation

Value is based solely at the discretion of the rental car company. This will likely be significantly different than what your Personal Auto Policy (PAP) will cover. Your PAP will likely cover the “actual cash value” needed to make the repairs only. The rental agreement will likely require you pay “full value” without being specific as to what that is.

Loss Settlement

Your PAP will usually have a clause that gives your insurer the right to “inspect and appraise the damaged property before it is repaired or disposed of.” Unfortunately the rental company may choose to have the repairs completed without making sure that happens; in which case your PAP will not pay for the damages.

Loss Payment

If the rental agreement calls for immediate reimbursement of damages the rental company will likely charge those damages to your credit card without warning.

Loss Damage Waivers

Most rental agreements make you responsible for *ANY loss* beyond normal wear and tear. For example driving on dirt roads, if your PAP doesn't include comprehensive coverage your PAP will not be liable.

Indirect Losses

You will most likely be responsible for any lost income the rental car company suffers because of the damaged vehicle. Keep in mind that most rental companies will not provide proof of cost, so they do not have to prove that dollar amount. Your PAP will have daily and maximum caps and you will be responsible for anything above that.

Administrative Expenses

These can be a variety of things and are most likely not covered by your PAP, such as towing, storage, claims adjustment and appraisal.

Other Insurance

Laws differ greatly from state to state. There are states where your PAP is secondary to the Damage Waiver.

Many credit cards have some coverage for rental vehicles, but again read the conditions carefully because it varies greatly from company to company.

Excluded Vehicles & Territories

Your PAP will typically exclude coverage to motorcycles and motorhomes, you will need to rely on the Damage Waiver in that case. Coverage typically does not cover other

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countries outside of the United States, its territories and Canada. There is typically a limit of \$500 to \$1500 on renting a trailer of any kind - think U-Haul.

Excluded Uses & Drivers

Your PAP is going to only cover those that are covered while driving your owned vehicles and will not extend beyond that. The rental agreement will also require you to list anyone who will be driving the vehicle; and those are the only drivers that will be covered by the *Damage Waiver*.

Additional & Future Cost

Payment for damages to a rental company from your PAP will most likely result in a significant increase in premium to your PAP.