



INSURANCE

OFFICE OF CENTRAL OHIO

Professional Advice • Personal Service

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Do you need rental car insurance from the rental company?

In most cases, your own car insurance will work just fine if your trip is for **personal travel**. Your personal coverage limits and deductibles will apply.

If the trip is for business, your personal auto insurance policy will **not** cover any type of damage or injury unless you have commercial coverage.

If you don't already own a car with insurance, rental companies only automatically cover the bare minimum in your state. However, if you want more protection, or if you are traveling abroad or for business purposes, you might need to get rental car insurance. Your auto insurance policy generally provides coverage in the United States; its territories and possessions; and Canada. *If you travel outside the U.S. or Canada, your personal insurance may or may not cover rental cars in those locations.* In Mexico, you must have insurance coverage written by a Mexican agency. Any other insurance will not be recognized.

Four main rental car insurance options that could be offered through the rental agency:

- **Loss damage waiver (LDW)** waives your responsibility to pay for a total loss, accident damage, environmental damage, theft and vandalism.

- **Collision damage waiver (CDW)** is similar, but it doesn't protect against theft. If you already have comprehensive and collision insurance, you probably don't need this. However, a loss damage waiver will not require you to pay a deductible. If you cause damage to your vehicle necessitating repairs, the rental car company can charge you fees for each day the car is out of commission (*Loss of Use*). The loss damage waiver will protect you from these fees. You should also confirm your policy will cover *Diminution in Value* of a rental car if you are at fault in an accident. It's a good idea to look into your own policy before you rent a car.

- **Liability coverage** covers other drivers' property damage and injuries resulting from an accident you cause. If you have personal liability insurance, your own policy will provide this coverage (as long as the trip isn't for business).

- **Personal accident insurance** covers medical bills for you and your passengers, regardless of who is at fault for an accident. If you already have Med Pay or PIP coverage on your own policies, you do not need personal accident insurance.

- **Personal effects coverage** protects your personal items like electronics, luggage and clothing. If you have a homeowners or renters insurance policy, it will cover personal items stolen from a rental car as well.

- **Other options:** You might be covered through your credit card company or travel insurance plan. Credit card coverage doesn't usually include medical costs, high policy limits or expensive rental cars, however. You also have to pay with the specific card to use its coverage. Travel insurance programs can typically cover collision and loss of use cheaper than the rental car company.