
Should I buy insurance from a rental car agency?

Many rental car companies offer insurance to protect drivers against liability for damage to the rental vehicle. Should I buy this insurance?

These collision damage waivers, known as CDWs, do not need to be purchased if you have a New York state auto policy insuring your own car. By law, your policy must cover you for all obligations assumed by you for damage to a rented car. There is no deductible, no limit and no requirement to have similar physical damage coverage on your own car (only liability coverage).

What if I don't own a car and, therefore, don't have an auto insurance policy to cover the rented car?

If you have no other insurance available, then you may want to purchase the insurance suggested by the rental car company. However, if you are using a major credit card, rental car coverage may be available through the credit-card company. Most major credit-card companies provide such coverage with their credit cards. Typically, the coverage is secondary to a cardholder's own auto insurance policy within the United States and primary overseas. This coverage generally is in effect for daily or weekly car rentals only, not on a long-term lease basis. Check with your credit-card company for details and to confirm coverage.

What should I do if the rental vehicle becomes damaged?

First, be sure to check the car's condition prior to driving it. If it already is damaged, record the damaged areas on the rental contract. If damage occurs after you rent the vehicle, do not allow the rental car company to charge such damages to your credit card. If you are involved in an accident or suffer a loss, contact your insurance provider, either our insurance agency or (if you have no auto insurance) your credit-card company, as soon as possible. This is important because the company providing the coverage needs time to inspect the vehicle and to be sure that all repair charges imposed by the rental car firm are proper and reasonable.

Should I buy the bodily injury and property damage liability, or medical coverage options, that the rental car agency offers?

You should only buy it if you have some reason for wanting more coverage than you carry ordinarily. Remember, the coverages on your New York state auto insurance policy apply when you rent a car for brief periods. People who have no personal auto policy are advised to purchase these coverages when renting a car.

Does the state or country in which I rent a car matter?

Yes, it matters greatly. With respect to any of the coverage provided by your auto policy, there is no protection when renting and operating a car outside the United States, its territories and Canada. There are many auto insurance plans available. For the policy that best meets your needs, contact our agency.

