

# Do You Have Insurance for Renting a Car, Moving Van or Utility Truck??

This time of year many are planning vacations to warm climates over the winter, or to see family or friends for the holidays. Or maybe you are doing some home improvements or plantings at your home and need to rent a truck from your local Home Depot or Lowe's store to bring home your purchases. Are you are planning to move to a new home and want to save the moving costs by renting a moving van? There are two issues to be concerned with, protection for you as the driver and the vehicle itself if it is damaged or stolen while in your care. Does your personal auto policy provide liability insurance (bodily injury and property damage liability insurance for you) and physical damage insurance for the vehicle if something happens to the rented vehicle in your care? The rental car company would have their own insurance to protect themselves if there was a law suit and maybe physical damage insurance for the vehicles with a high deductible. But if you are



bringing back a damaged car they will be looking to you for the cost to repair it or replace it if stolen or a total loss. The rental company may also claim for the loss of use, which would be their loss of income from being able to rent it all the days it is being repaired or for the time it would take to replace it.

There is not a simple yes or no answer to this rental car question as many factors come in to play before I can give you the answer. In New York, your personal auto policy includes a "rental vehicle endorsement" which states "This endorsement provides coverage for the insured's obligation in the event of actual damage to, or loss of any rental vehicle,

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including loss of use rented by the insured anywhere in the US, its territories or possessions or Canada under a rental agreement with a term no longer than 30 continuous days". So the answer can be yes or no. Where are you renting? Also, the size and type of vehicle can matter. A private passenger car, a pickup truck, van or small box truck may be OK provided the gross vehicle weight is 10,000 pounds or less. What is gross vehicle weight? This is the weight of the vehicle itself fully loaded with maximum capacity. So if you are planning to rent a large moving truck, you may need to purchase what the rental agency offers. Be aware that what the car rental agencies sell is not really insurance, but a collision damage waiver. The car rental agencies usually try to convince or scare you into buying this protection as it can be profitable for them and increase the daily rental cost by \$10.00 - \$30.00. So you may be able to decline this if your own policy provides the coverage. Pay attention to the fine print and read what you are signing and initialing. You may be telling them that you do not want to buy it, but initialing that you do, and be charged for it on your credit card when you return the vehicle and then at that point be unable to delete the charge. Another source of coverage can be your credit card. Some contracts offer coverage,



and possibly even out of the country, where in almost all cases except those locations mentioned above, you will have no insurance at all. Before you assume you do have coverage, call you agent or company to be clear on what your policy includes so you can be educated when you are signing the rental car contract. Also, bring a copy of your insurance ID card and phone contact for your agent or company in the event of a claim.

Who can drive? A New York auto policy defines the named insured as the name(s) shown on the declaration pages of your policy, spouse, and family member related by blood, marriage or adoption and resident of your household. What about a boyfriend, girlfriend, business associate, relative who does not live at your address? Better not let them drive, unless you can be sure they have their own policies and insurance. The rental agencies usually require you disclose all drivers, so be sure you are being truthful to avoid any surprises.

If you have a commercial insurance policy in the name of your business and not in your personal name, without endorsement, you may have no liability insurance while renting a vehicle in your personal name. Some companies can offer endorsements such as "drive other car" or hired or "nonowned auto liability" on a commercial auto policy which can cover this

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exposure and provide liability insurance in your personal name. The physical damage coverage also may be included, but again every policy with special endorsements can be different.

What other "vehicles" might you rent while you are on vacation? Boats, personal watercraft, ATV's, mopeds, motorcycles, golf carts, and snowmobiles to name a few. Before you decide to rent any of these vehicles, see what coverage might be offered, both for liability and physical damage. If you have a recreational vehicle policy at home for the same type of vehicle you are renting on vacation, there might be coverage for this "substitute". A New York homeowners policy can provide liability insurance for the golf cart so long as not used on a public road, but if you

are in a community where these are popular modes of transportation to go to restaurants, shops and the beach and you are using streets where motor vehicles are subject to registration, you will be out of luck if you have a bodily injury or property damage liability claim. I have seen children operating golf carts at higher speeds that are unsafe whizzing around with several passengers. Also, are you letting someone else borrow the golf cart or other recreational vehicle? What if someone was hurt? Will the insurance company provide legal defense and coverage for you and the operator in this situation?

Don't let your rental experience turn into a negative one. Plan ahead and find out what coverage you have so you can make an educated decision at the time of signing the contract. Make sure you have insurance before you decline what the rental agency is offering and if you are agreeing to accept the coverage, be sure you know what the exact cost is, added to the daily rental charge.

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