

## Coverage Corner

This month's topic is a question whose answer may vary from agency to agency but it is one that every person needs to have an answer to. I am going to give you my agencies opinion and suggest that you contact your local agent for theirs as well.

Do I need to buy the insurance form the rental car company?

The short answer is, yes! If you are renting the car within the coverage territory as defined in your New York Personal Auto Policy then the basic coverage of the policy applies to the rental car and may even overlap in spots with the rental car company offer. The coverage territory of a NY Auto Policy is limited to United States, its territories, possessions, Puerto Rico and Canada.

Let's say for example, you are renting a car in Florida and you are involved in an accident. The accident involves both damage to the vehicle and bodily injury to a third party. The damage to the rental car will be repaired by your auto policy just as if you were in your own vehicle (provided you have physical damage coverage on at least one of the vehicles on your policy). The bodily injury to the third party will also be covered, to the limits on your policy, just as if you were in your own personal vehicle.

The one potentially huge coverage gap in the NY Auto policy is the "Loss of use" of that vehicle to the rental agency. The loss of use is **NOT COVERED** by your NY personal auto policy. If the damage to the vehicle is significant and the car has to be taken out of the rental pool for any length of time, the rental car company can and most likely will send you a bill for it as if you are still renting the car. I checked one of the major rental car websites and rentals ranged from \$550-\$1500 per week. Therefore if you put one of their cars out of circulation for three weeks you could potentially be adding \$1650-\$4500 to the cost of your vacation.

If you are renting a car outside of the defined coverage territory you absolutely must buy the coverage because if you get into an accident there is no coverage at all. In this scenario you would have an uninsured auto accident and as you might imagine that scenario could be financially devastating to any family.

Once again this topic is mostly opinion and not a coverage question. That's why I encourage you to review this question with our local agent before your next trip. Due to the size restrictions of the column I only scratched the surface of the issue in order to get you thinking about the potential pitfalls. There are many more issues such as long term rentals, can another driver drive, can I rent an 18 wheeler, what if I put the rental on my business credit card?

Thank you for reading and participating and remember "don't be cornered by your coverage."

This column is strictly for general insurance information please consult your local agent for the specifics of your insurance program.

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