

RENTING A VEHICLE THIS IS NOT A REPLACEMENT VEHICLE DUE TO A LOSS

The MA Auto Policy does provide some coverage when renting a vehicle this is not a replacement/substitute vehicle due to a covered loss, like while on vacation. However, the coverage is LIMITED and may leave our insured with inadequate coverage if there is a loss while renting that vehicle.

The rental agreements that people are asked to sign when renting a vehicle are very specific as to how a loss will be handled and exactly who is able to drive the rental vehicle. Damage to a rental vehicle is settled on an ACTUAL CASH VALUE basis subject to the deductible on the MA Auto Policy. If a vehicle, and our insured would be responsible for the difference between the Replacement Cost and the Actual Cash Value, which can mean they can end up with a huge bill from the rental company for this difference.

Collision, Limited Collision and Comprehensive coverages exclusions apply to a NON-OWNED auto on the auto policy with means not all equipment and furnishing in the rental vehicle will be covered, such as portable GPS devices, Radar Detector and other equipment that is not permanently installed in the rental vehicle.

Repairs and payments after a collision or loss require that the insurance company be permitted to inspect and appraise the damaged property before it is repaired. However rental vehicles agencies may have the damage repaired without allowing inspection. They do not have to allow the insurance company to inspect the damage.

Lastly, if a rental vehicle is damaged and cannot be rented out while repairs are being done, the insured would be responsible for the down time and diminished value of the vehicle along with all administrative costs and fees for claims processing.

By signing the rental agreement, the insured is agreeing to be responsible for all these fees and the auto policy will not over those fees. Some credit cards will pick up some of these charges if the insured pays for the rental with that card, but the insured would need to confirm with their credit card company what, if any, fees the credit card company will pick up.

The rental agreement is an agreement between the rental company and the renter, not the renter's insurance company, and the insured cannot obligate the insurance company to any agreement.

This information came from MAPIA and they recommend that the insured purchase the Collision Damage Waiver/Loss Damage Waiver to avoid financial hardship, avoid issues with the rental agency as the MA auto policy may not cover the entire loss. Any charges the MA auto policy does not cover is the responsibility of the person signing the rental agreement.