

Rental Car Insurance: Are You Covered?

Presented by C.J. Ferrari and Mark Miller

For many people, summertime means vacation. If your trip involves renting a car, reviewing the various insurance options ahead of time can help you avoid spending more than you need to. Here are some key questions to ask before you arrive at the rental counter, plus tips for getting the most bang for your car-rental buck.

Are you already covered through your personal insurance?

According to a recent survey by the National Association of Insurance Commissioners, 62 percent of consumers don't believe their personal auto insurance automatically covers rental cars. In most cases, however, your personal policy will extend to a rental car. Just be sure to call your carrier to confirm what your policy covers (e.g., damage, theft, liability).

Is insurance coverage through your credit card an option?

You may also get some form of rental car coverage through your credit card. American Express, Discover, MasterCard, and Visa all provide car rental insurance options to members for free, as long as you charge the rental to your card. If you choose to rely on insurance from your credit card, call your company first to find out exactly what kind of coverage it provides.

When using your card for rental car insurance, keep these pointers in mind:

- **Charge it.** To get coverage, you'll need to charge the whole rental fee to your credit card and decline any extra coverage the car rental company offers.
- **Choose the right vehicle.** Trucks, off-road vehicles, and expensive, exotic, or antique cars generally aren't covered. Other exceptions may apply, so be sure to check with your credit card company.
- **Be aware of time limits and other restrictions.** Find out if there's a cap on how long your credit card covers your rental car. Coverage may not be available in some countries, so check the company's policy if you're traveling abroad.

What kind of coverage does the rental company offer?

Another option is purchasing coverage through the car rental company. There are usually four main choices:

- **A damage waiver** transfers financial responsibility from you to the car rental company in case of damage or theft.
- **Supplemental liability insurance** protects you against claims that exceed your regular policy limits.
- **Personal effects coverage** protects personal property that's damaged or stolen from a rental car. (Your existing homeowners insurance policy may also cover these items.)
- **Personal accident insurance** covers any injuries you or your passengers sustain. (Personal injury protection on your regular auto policy will also cover the rental.)

Finding a balance between the cost of coverage and what you get for that price point is key to evaluating your options.

Helpful tips to keep costs down

Here are some additional ways to save when renting a car:

- **Don't always go for name brands.** National car rental chains are well known and reliable, but independent agencies typically cost 15 to 30 percent less.
- **Track rates.** Using vendors like Autoslash.com, you can make reservations with some of the major companies and the site will automatically check for better rates, rebooking you if a lower price becomes available.
- **Look for discounts.** By searching online, you can usually find money-saving coupon codes. Car rental companies also offer discounts to members of frequent flier programs and other organizations, such as AAA and Costco.
- **Avoid the airport.** Prices at car rental locations near an airport can be 30 percent higher due to extra fees.
- **Plan your trip around lower rates.** Weekend prices are sometimes lower than business-day prices.
- **Prepay.** Many car rental companies offer up to a 20-percent discount if you're willing to prepay for your vehicle.

A smooth start to your vacation

Don't wait until you're at the rental counter to start considering your insurance options. Call your insurance and credit card companies to find out if you're already covered or if you should purchase insurance through the car rental company.

A little preliminary research will help ensure a smooth start to your trip—and possibly free up some funds in your vacation budget. Safe travels!

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