

## Rental Car Insurance Simplified

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#### Check Your Auto Insurance Before You Rent A Car

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So before you shell out the extra cash for this waiver, the Insurance Information Network of California suggests that you follow these guidelines to make the right decision:

#### CHECK YOUR EXISTING AUTO INSURANCE POLICY

- Review your auto insurance policy or call your insurance agent before you rent a car. You don't want to pay extra money for coverage you already have. Most auto insurance policies will provide liability insurance if you injure someone in an accident. However, damages to the rental car are only covered under your policy's comprehensive and collision coverage. Make sure your auto policy includes this type of coverage.

#### CHECK YOUR CREDIT CARDS

- In some cases, your credit card will pay for damages to a rental car in the event of an accident. To be eligible, you probably would have to decline the collision damage waiver as well as charge the full amount of the rental car on your card. Make sure your credit card offers these services. Also make sure you understand all limitations and exclusions your credit card may issue such as limited rental contracts and approved rental dealers.

#### YOU MAY NEED TO BUY THE CDW

You can safely decline the collision damage waiver if you're absolutely sure your auto insurance or credit card applies. However, buying the collision damage waiver could be the answer for some travelers. Here are the reasons why:

- If you aren't covered under your own insurance or credit card then you may consider purchasing the collision damage waiver. It's a better option to pay about \$8 to \$11 a day than \$15,000 to \$20,000 to replace the rental car.
- The collision damage waiver pays for "loss of use." This is what the rental car company charges you for the money and time it lost since the vehicle could not be rented. Most states do not cover loss of use under an auto insurance policy. The exceptions are: Alaska, Connecticut, Louisiana, Minnesota, North Dakota, New York, Rhode Island and Texas.
- If you are involved in an accident, some rental car companies want payment upfront, meaning you'll have to wait to be reimbursed from your own insurance company. This is an expensive price to pay for some travelers, therefore some may just opt to pay the extra price for the collision damage waiver.