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## Protecting Yourself When Renting an Automobile

### The Auto Rental Company

Most auto rental companies offer a product called a "collision damage waiver" that covers some loss of, or damage to, the rental automobile. It is also referred to as a "loss damage waiver."

The collision damage waiver protects you in the event that you damage an automobile that you have rented. It protects you by transferring the responsibility for the cost of the damage from you to the auto rental company.

However, it often comes with exclusions as well. For example, it may provide no protection while you drive on unpaved roads. Also, the protection you get varies from company to company. You should check the fine print before you decide whether or not to buy it.

Auto rental companies charge a daily rate on top of the rental charge for the collision damage waiver.

You can buy the collision damage waiver from the auto rental company, but you should be aware that there are alternatives.

### Your Credit Card

Your credit card may already provide collision damage coverage on automobiles that you rent. To be eligible for the coverage, you will likely need to charge the full amount of the rental to your credit card AND decline the collision damage waiver offered by the auto rental company.

Your credit card coverage will be subject to certain conditions. For example, the collision damage coverage may only apply when renting automobiles from auto rental companies approved by your credit card company.

You should check with your credit card company to learn more about the limitations of the coverage it provides to you.

### Your Current Auto Insurance Policy

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Most Ontario auto insurance companies offer the option of additional coverage for liability for damage to automobiles that you don't own. The coverage comes in the form of an endorsement known as "Legal Liability for Damage to Non-Owned Automobiles." It is also referred to as the "Rental Vehicle Insurance Endorsement" or "OPCF 27."

If your auto insurance policy includes the OPCF 27, you already have coverage for damage to a vehicle that you don't own, such as a rental automobile.

A note of caution — the OPCF 27 is only valid for driving non-owned automobiles in Canada and the United States. If you are driving internationally, you will have to purchase coverage elsewhere. Also, the auto rental agreement must be in your name, if you are the insured person named on the auto policy.

Check with your insurance broker, agent or insurance company for more details.

### Reasonable Cost

If your auto insurance policy does not include the OPCF 27, you may want to consider adding it. The yearly cost of adding it to your policy is usually quite reasonable, making it an economical alternative to purchasing a collision damage waiver offered by an auto rental company.

### Remember...

If you have an at-fault accident with the rented automobile, and you are more than 25% per cent at fault, the accident will still count against your driving record, regardless of who pays the damage claim.

Check with your insurance representative for more details.

### No Collision Damage Waiver

If you are not already covered under your Ontario auto insurance policy, through your credit card, or otherwise, and you choose NOT to purchase the collision damage waiver from the auto rental company, you will be responsible for the costs resulting from any at-fault damage to the automobile while it is in your care.

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