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# DESANCTIS INSURANCE AGENCY, INC.

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36 Cummings Park  
Woburn, Massachusetts 01801

To Our Valued Clients:

May 2007

## Renting a Vehicle?

Are you covered?

Is it Automobile or Contractors' Equipment?

Whenever you rent or lease a vehicle it is important that you tell us.

Often you are asked to provide a Certificate of Insurance to the rental/leasing company evidencing coverage, but sometimes you are not. Either way it is important that you know what coverages your rental/lease agreements require and communicate that to us.

Sometimes the rental/leasing company requires a Certificate of Insurance, but only asks to see evidence of Liability Coverage even though your agreement also requires that you provide Physical Damage coverage for the vehicle. It is not uncommon for those renting vehicles to accept the Collision Damage Waiver (CDW) or Loss Damage Waiver (LDW) from the rental company, so a request to us for the Certificate to evidence only Liability coverage would not be unusual. Without telling us you need Physical Damage Coverage, damage to the vehicle very likely will not be covered.

However, if you do choose to buy the CDW or LDW from the rental/leasing company be sure to read your rental agreement, as those amounts of "coverage" could be limited, for example, to a maximum of \$1,000. Also there are generally "prohibited uses"/"violations of contract" that could void the CDW/LDW. Some Agreements void the CDW/LDW if the vehicle is driven by an unauthorized driver (Always declare ALL potential drivers), if the vehicle is stolen, if no police accident report is made, if driven off road, if driving while drinking, etc. Whatever the terminology, it is important to READ the contract and to make sure that the vehicle is NEVER used in violation of the contract.

Though Hired Vehicle Liability coverage is provided for most insureds, coverage should be confirmed. Coverage is typically provided under your Commercial Automobile policy for "Autos" (private passenger, trucks, trailers, & registered Mobile Equipment), or under your General Liability policy for Contractors/Mobile Equipment. However, if the Contractors/Mobile Equipment you hire is subject to Financial Responsibility Laws, even though unregistered, an exclusion could apply under your General Liability Policy and special arrangements would need to be made to provide coverage under your Commercial Auto Policy.

Physical damage coverage for Leased or Rented Contractors' Equipment is not automatic. Coverage needs to be arranged under your Contractors' Equipment policy.

Physical Damage coverage for Hired Automobiles is not as readily available as that for Equipment. Coverage for rented vehicles is NOT automatic under the Commercial Automobile Policy and must be endorsed.

As you can see there are a number of issue that need to be considered whenever you rent or lease a vehicle, so please be sure to tell us, so we can discuss your needs.

Very truly yours,  
DeSanctis Insurance Agency, Inc.