

# Rental Insurance

Many international students and scholars have never driven in the United States before. Purchasing the full coverage of auto insurance protects against any damage or theft to your rental vehicle. Many of you are driving on the other side of the road for the first time so you will want to be insured!

Insurance coverage can include:

- a) any damage done to the rental vehicle
- b) damage or injury to other people caused by you
- c) injuries to passengers in your rental vehicle
- d) theft of personal belongings left in your rental car

If you are already a driver back home, check with your automobile insurance representative or credit card company to see if your auto policy or credit card company covers auto insurance.

Below is a description of the different kinds of auto rental insurance. Most internationals purchase the Optional Loss Damage Waiver (LDW) insurance and the Supplemental Liability Insurance (SLI).

## RENTAL INSURANCE POLICIES

**Optional Loss Damage Waiver (LDW)** offered by car rental companies is not insurance. It's an option that relieves renters of financial responsibility if the car is damaged or stolen while under rental contract. Using the vehicle in violation of any of the use restrictions listed on the rental agreement could void LDW and leave the renter fully responsible for any damage to the vehicle. If you decline LDW, you may be responsible for up to the full fair market value of the car if it is damaged, vandalized or stolen during the rental. LDW usually costs around \$20/day.

**Supplemental Liability Insurance (SLI)** is excess automobile liability insurance that protects you and all authorized drivers of the rental vehicle against third-party bodily injury and property-damage claims for which you are legally liable. When SLI is purchased, liability protection provided by the SLI carrier becomes primary, and applies before other liability protection available to you. This means that you probably won't have to call upon your other protection unless the loss exceeds the SLI limit or results from your use of the vehicle in violation of the terms of the rental agreement. SLI usually costs around \$9/day.

**Personal Passenger Protection (PPP) and Personal Effects Insurance (PEI)** - PPP covers accidental death and accidental medical expenses for the renter who signs electing to be covered under the policy. PEI is an optional coverage that will protect the personal effects of the renter while in the rental car. Both coverages have specific limits. PPP usually costs around \$6/day.

**Emergency Sickness Plan (ESP)** provides international renters visiting the U.S. with coverage for medical expenses resulting from sickness. At most locations, other liability protection available to the renter from any source will be primary, and will apply first in the event of an accident. ESP protects international renters possessing a non-U.S. passport against certain medical expenses resulting from sickness occurring during the rental period. Additionally, it covers other members of the renter's traveling party who also have non-U.S. passports. By purchasing PPP and PEI in combination with ESP, international renters who might otherwise have no medical coverage available to them while in the U.S. are protected against medical expenses that result either from accident or sickness.