



South Carolina Department of Insurance

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MEDIA RELEASE

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Renting a Car for Labor Day Travel? Some Important Facts about Rental Car Insurance

Labor Day, the last official weekend of summer is here and many consumers will be enjoying an end of summer weekend getaway. In fact, AAA is forecasting more than 34.7 million Americans will travel 50 miles or more this weekend. This is the greatest increase in Labor Day holiday travel since 2008, and more than eighty-five percent will make the weekend get-away a road trip.

“If you will be traveling and decide a rental car suits your needs, you may need to consider rental car insurance. Before you rent a vehicle, it is important to check with your insurance agent to find out how much coverage you have on your own automobile,” said Ray Farmer, Director of Insurance. Generally, whatever coverage you have on your personal vehicle will apply to your rental car, provided you will be using it for recreational purposes and not business use. It is important to note, that if you *do not* have comprehensive or collision coverage on your personal auto policy, you will not be covered if your rental car is stolen or damaged in an accident. Additionally, you will want to check with your agent or company to see if your insurance company will cover administrative fees, loss of use or towing costs.

You will also need to check with the credit card company you will be using to pay for the rental car. In some instances, credit card companies will offer some insurance benefits, but they will differ both by the company and the financial institution that issues the credit card. Damage to, or loss of the vehicle, will usually be included in this kind of coverage, but not for other vehicle damages or the personal property of others. Some credit card companies will provide coverage for towing and some administrative fees, but not provide personal liability for bodily injury or death claims. To find out what coverage is provided you should call the toll-free number found on the reverse side of your credit card. Credit card benefits are usually considered secondary to your personal insurance protection and insurance that is offered by the rental car company. It is a good

idea to ask the credit card company to send their coverage information to you in writing. The car rental company may also offer insurance coverage. If you purchase car rental insurance from the car rental company, be sure that the company is licensed by the South Carolina Department of Insurance. Your insurance agent and your credit card company will help you determine if you will need to purchase this coverage. The following coverages may be offered by the car rental company:

Loss Damage Waiver (LDW)

This coverage relieves renters of financial responsibility if their rental car is damaged or stolen. They may also provide “loss of use” coverage should the rental car need to be repaired.

Liability Insurance

Rental companies must provide the state required amount of liability insurance. These amounts are generally low and do not provide much protection. If you have liability coverage on your own vehicle, you may consider forgoing additional liability protection. In South Carolina, the minimum limits for liability coverage require is \$25,000 bodily injury per person, \$50,000 bodily injury per accident and \$25,000 property damage per accident.

Personal Accident Insurance

Personal Accident Insurance provides coverage to you and the passengers for medical expenses relating to a car crash. If you have health insurance coverage or are covered by personal injury protection under your automobile policy, you may not need this coverage.

Personal Effects Coverage

Personal Effects coverage provides insurance protection for the theft of items in your automobile. If you have a homeowners or renters policy that includes off-premises theft coverage, you may not need this additional insurance.

If you have questions concerning this information or have other insurance related questions, please contact the Office of Consumer Services with the South Carolina Department of Insurance. Our office hours are 8:00 a.m. - 6:00 p.m. Monday through Thursday and 8:00 a.m. - 5:00 p.m. on Friday. Our toll-free number is 1-800-768-3467 and e-mail address is consumers@doi.sc.gov.

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