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For Immediate Release:
December 4, 2007

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WHAT YOU NEED TO KNOW ABOUT INSURANCE BEFORE REACHING THE CAR RENTAL COUNTER

Survey Reveals Confusion Among Consumers Regarding Rental Car Insurance

Salt Lake City, November 27, 2007 —A large percentage of U.S. consumers are confused about whether to buy insurance when renting a car, according to new research by the National Association of Insurance Commissioners (NAIC) and the Utah Insurance Department. In fact, many people purchase insurance at the rental counter without knowing whether their existing auto policies or credit card benefits already cover their needs.

“When renting a car, many consumers purchase unnecessary insurance and end up wasting money. Meanwhile, other drivers inadvertently underinsure their rental car, placing themselves at risk,” said Insurance Commissioner, D. Kent Michie. “As travel increases around the holiday season, the Insurance Department encourages consumers to investigate whether their existing auto insurance provides sufficient protection for car rental.” A consumer renting a vehicle in Utah will find that his or her automobile insurer will be on the hook for liability claims resulting from an accident with the rental vehicle.

Utah and the NAIC’s national survey of 632 consumers, conducted from September 19-30, 2007, revealed these findings:

- Approximately 42% of respondents said they were either thoroughly confused or had only a rough idea about insurance coverage when renting a car.
- 34% of respondents said they purchased the rental company’s insurance just to make sure they were covered.
- 24% of consumers were not sure whether their credit card provided insurance coverage when renting a car.

“Drivers should educate themselves before they reach the auto rental counter,” Commissioner Michie said. “Carefully review your auto insurance policy and check with your credit card issuer about auto insurance benefits. Protect yourself and save money by taking a few precautions and asking the right questions.”

Prior to renting a car, Commissioner Michie recommends that renters ask the following questions:

- Ask your insurance agent: Are there any situations in which my existing auto policy would not cover a rental car?

- Ask your credit card company: What are the limitations on rental car coverage?

Car Rental Insurance Tips from Utah and the NAIC's Insure U Web Site

- Review your auto insurance policy or call your insurance agent before you reach the rental car counter.
- If your current policy doesn't offer coverage for a rental car, see if an insurance rider can be added for a small fee.
- Many credit cards include some level of collision and theft protection. In most cases, these benefits are secondary to your personal auto insurance or the car rental company's insurance, meaning the credit card company will only pay claims after other insurance coverage has been exhausted. Call your credit card company and ask about benefits.
- If you lack personal auto insurance and your credit card does not provide benefits, it might be wise to purchase the liability insurance and collision damage waiver at the car rental counter.
- Keep in mind that if it is a longer-term rental (e.g., a week, a month or more), there might be limitations on the coverage your existing auto insurance policy provides. Check with your insurance company or agent for details.
- If you don't own a car, you might want to consider purchasing a non-owner auto insurance policy, because it provides benefits in addition to coverage for a rental car.
- When traveling on business, a personal auto policy will generally not apply, so check with your employer for guidance.
- Know that you are not alone if you find car rental insurance confusing. If you are unclear about the car rental insurance options, or are concerned that a rental company is misrepresenting information, check with the Utah Insurance Department.

Get more information about the types of insurance products car rental companies tend to provide, as well as additional auto insurance information by visiting <http://www.insurance.utah.gov/InsureU.html>. You can also get extensive information, tips and considerations regarding life, health and home insurance by life stage. The site is also available in Spanish.

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