

Rental Reimbursement Coverage: The Basics

When you're in a car accident, there are a lot of things to think about: Was anyone injured? Was your car damaged? What about the other vehicle? And, there's another concern that might come up, as your vehicle is being towed to a body shop: How will I get to work tomorrow morning?

If you've purchased **rental reimbursement coverage** as part of your auto insurance policy, that last question may be a little easier to answer. Rental reimbursement coverage is an optional coverage that helps you pay to rent a car if your own vehicle is in the body shop for repairs from a covered loss.

When you're shopping for an auto insurance policy, it's important to keep in mind that rental reimbursement coverage generally is not automatically included in all insurance policies. If you want this type of coverage, you typically have to add it as an optional coverage.

What Does Rental Reimbursement Typically Cover?

Rental reimbursement coverage will help you pay for a rental car—but only if you need the rental car because of a covered loss. For example, if your car is damaged in an accident that's covered by your insurance policy, your rental reimbursement coverage will typically help pay for the rental car.

Depending on the other types of coverage you have on your vehicle, rental reimbursement coverage may also kick in while your car is being repaired after non-accident-related damage, such as vandalism or hail. Refer to your own auto insurance policy to determine when this coverage will take effect.

Keep in mind that rental reimbursement coverage does not help you pay to rent a car for other reasons, such as routine maintenance work on your own car, or for a vacation.

Deductibles and Limits

Unlike other auto insurance coverages, there is typically **no deductible** for rental reimbursement coverage, meaning that there is no specified minimum dollar amount you must pay toward your rental car before the insurer begins to help pay. However, because you only use your rental reimbursement coverage in the event of a covered loss protected under other coverages of your auto policy, you will still be responsible for **paying the deductible** for the other coverages involved in your claim, such as comprehensive or collision.

You should also consider that there is typically a per-day limit placed on rental reimbursement coverage. There's also typically a limit on the number of days for which that amount will be reimbursed for a rental car. So, for example, after an accident, a policy might cover a rental car up to a daily limit of \$25 for up to 30 days, or until your damaged car is usable again. Refer to your policy for the limits on your rental reimbursement coverage.

Things to Consider

Since rental reimbursement coverage is not a requirement, it's up to you whether you want to purchase it. As you are making this decision, think about whether you could afford to pay out of pocket for a rental car if your own car was damaged in an accident and had to be kept at a body shop for repairs. If not, you may want to consider purchasing this coverage.

Have questions about rental reimbursement coverage? Contact me at jellzey@stielinsurance.com or 985-969-2682