

Make wise insurance decisions when renting a car

By Ruth Freeman, ISU Extension Family Resource Management Specialist

If you are planning a vacation this summer and need to rent a car, here are some tips to help you save money and manage your risk.

First, check your current car insurance policy. Will it cover a rental car if you have an accident? How long would you be able to use a rental car? Approximately 70 percent of car insurance policyholders pay to have their personal coverage extend to vehicles owned by others. Purchasing additional insurance from the rental car agency would provide you double coverage. (Save the additional insurance money for your vacation or gas!)

If you intend to rent a car and travel out of the country, check how those plans affect your current insurance policy. Often, a policy will provide coverage if you are traveling in Canada. Additional coverage may be needed in Mexico and Central America. Also be sure to check your policy if you are taking your own car out of the country.

Charging your rental on a MasterCard covers you for car theft or repairs up to \$50,000, but only on rentals of 15 days or less. American Express extends the coverage to 30 days. Visa covers the actual cash value of the vehicle (with some exceptions) as originally manufactured for 15 days. There may be some restrictions; for example, travel is not covered in some foreign countries. Before you reserve a rental car check the details with your credit card company.

Paying for insurance through the rental car company can be very costly, so know if you are already covered through your own policy or through your credit card company before you sign up.

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