

Vehicle Rental Policy and Best Practices

Insurance offered by the rental companies:

- **Supplemental Liability Insurance (SLI) or Additional Liability Insurance (ALI):**
 - If Liability Insurance is not automatically provided by the rental company, or if the limit of insurance provided is less than \$1,000,000, it is recommended to purchase Supplemental Liability Insurance (SLI) or Additional Liability Insurance (ALI) for a \$1,000,000 limit of insurance.
- **Collision Damage Waiver (CDW) or Loss Damage Waiver (LDW):**
 - If you are renting in Canada or the USA, we suggest declining the CDW and/or LDW. (If the company/Insured carries coverage for Legal Liability for Damage to Non Owned Automobiles)
 - In all other countries it is recommended to purchase the CDW and/or LDW.
 - If you are renting for a period in excess of 30 days, you must purchase CDW and/or LDW as no coverage is provided through the corporate insurance program.
- **Personal Effects Protection (PEP):**
 - You are responsible for your personal effects. We suggest declining coverage.
- **Personal Accident Insurance (PAI):**
 - Coverage is provided under your Benefits Insurance and/or Workers Compensation Insurance. We suggest declining coverage. (Please verify that this coverage is presently provided under your Benefits Insurance and/or Workers Compensation).

Best Practices:

- Rent from major rental agencies such as Budget, Hertz or similar.
- Rent the vehicles in your name and in the company's name. (i.e. Individual's Name c/o Company's Name)
- For employees who have a Company Credit Card, all rentals must be made with the Card.
- Vehicles can only be rented on a short term basis (less than 30 days).
- Rent only passenger-type or light commercial vehicles (cars, light trucks or passenger vans). Vehicle of over \$50,000 CAD cannot be leased. (If the company/insured carries Legal Liability for Damage to Non Owned Automobile in a lesser amount, it should be reflected here).
- The vehicle should only be driven by the individual who has rented the vehicle.
- Employees should rent vehicles they are accustomed to driving.
- In the event of an accident, contact the rental agency immediately and follow their instructions. If you rented with a Credit Card, notify the Card Company immediately following the accident.
- Employees should never admit fault for an accident, this could potentially nullify insurance coverage.

Non-owned Automobile Coverage (SPF 6) and Legal Liability for Damage to Non-Owned Automobiles (SEF 94) Explained

Non-Owned Auto Insurance is a Third Party coverage ONLY. This coverage will respond to negligent acts committed by the insured resulting in:

- Bodily injury to a Third Party and
- Physical damage to a Third Party

The following is a brief explanation of how Non-Owned Automobile Insurance applies when your employees rent vehicles while in Canada or the continental United States on company business.

Non-owned automobile liability coverage will pay for damages to a third party, on behalf of your company, if an employee causes property damage and/or bodily injury to a third party while driving a vehicle non-owned by the company (typically a rented vehicle or the employee's personal vehicle) for business. The intent of this coverage is to provide protection for the employer if they are held liable for incidental accidents caused by their employees use of vehicles on company business.

Your policy can also carry an endorsement called SEF 94 – Legal Liability for physical damage to hired automobiles. This endorsement provides coverage for the physical damage caused to a rented vehicle. This is similar to the Loss Damage Waiver (LDW) offered by rental car agencies. Your employee can decline to purchase the loss damage waiver coverage from the rental agency if this endorsement is included on your policy.

WARNING: There are certain restrictions in your non-owned automobile coverage that you should be aware of:

- Coverage is restricted to Canada and continental U.S. only (no coverage for vehicles rented in Europe for example).
- Coverage is restricted to business use only (if an employee goes to a movie while on a business trip and gets into an accident, this may not be considered business use).
- Coverage is usually restricted to private passenger and light commercial vehicles with weight not exceeding 4,535 kgs and value not exceeding \$50,000.
- Non Owned Automobile coverage is for short term rentals only – any vehicle rented for more than 30 days is excluded from coverage.
- Automobile liability presents catastrophic exposure. Multi-million dollar Non-Owned Automobile losses are a reality and it is recommended that sufficient limits be purchased.