

Rental Car Coverage

Rental Reimbursement pays for an automobile for you to drive while your car is in the shop. In most cases, Rental Car Coverage is relevant only if you cause an accident. If you are not at fault, typically the other person's Liability insurance should pay for your rental car (or your uninsured motorist coverage).

It is important to note that with most companies, rental car coverage is on a "reimbursement" basis. That means you are responsible for paying for the car at time of rental, and later the responsible insurance company will reimburse you.

The minimum amount that is offered by most companies is \$20 a day for a rental car. That coverage can typically be increased to as high as \$50 a day or more.

Most companies have a maximum amount they will allow for rental reimbursement. Most insurance companies set that amount to equal about 30 days of rental car coverage. In most policies, Transportation Expense, or Rental Reimbursement looks like this:

- Transportation Expense: \$30/\$900

The first number is the maximum daily coverage; in this case the coverage is \$30. The second number is the maximum cumulative amount that your insurance company will pay for rental car coverage. In this case it is \$900, or \$30 a day for 30 days.