

## Auto Insurance Coverage for Rented, State-Owned and Leased Vehicles

The University Treasurer's Office responds to inquiries about the University's auto insurance programs for auto rentals, state-owned vehicles, and leased vehicles used for University business travel. Contact Matthew Wamback at (508) 856-1232, mwamback@umassp.edu.

### A. Rental Vehicles

When University employees rent vehicles for University business, they must include the "University of Massachusetts" next to their names on rental applications. This helps to ensure that the University's Hired and Non-owned Excess Liability policy, which is described below, will provide excess liability coverage, if warranted.

Employees renting vehicles will most likely be given the option of buying the following two types of rental insurance:

- Liability Insurance-covers bodily injury or property damage to a third party
- Physical Damage Insurance-often referred to as a Collision Damage Waiver (CDW) or a Loss Damage Waiver (LDW)- covers property damage to vehicles

When renting cars for University business, employees should:

#### 1. Liability Insurance

##### a. Within Massachusetts

Decline the Liability Insurance offered by the rental company, if you are renting the vehicle in Massachusetts and you will only be driving the vehicle in the State of Massachusetts. In Massachusetts, rental companies are required by state law to carry the minimum liability coverage on their rental vehicles (the rental company's liability insurance serves as the primary liability insurance), so purchasing the additional Liability Insurance from the rental company is not necessary due to the University's existing excess policy.

The University has a *Hired and Non-owned Liability Insurance* policy for vehicles rented for University business. The University's policy is only an excess policy. This policy has a \$1,000,000 combined single limit for bodily injury and/or property damage to others.

If a Certificate of Insurance is requested by the rental car agency to verify liability coverage, a copy can be requested from the University Treasurer's Office website at <http://treasurer.umassp.edu>. (On the left hand panel under Insurance, click on Certificate of Insurance.)

##### b. Outside of Massachusetts

Purchase the Liability Insurance offered by the rental company, if renting a vehicle outside of the State of Massachusetts or for use outside of Massachusetts.

#### 2. Physical Damage

##### a. Paying with UMass VISA Corporate Travel Card

Decline the Physical Damage Insurance offered by the rental company if using the UMass VISA corporate travel card to pay for the vehicle rental as primary coverage, also known as CDW/LDW, is provided as a no-cost benefit. This insurance includes coverage for damage or theft for rentals up to 31 days worldwide. Certain restrictions, limitations, and exclusions apply. Please refer to *Your VISA Card Guide to Benefits* brochure (pages 2-3) that you received with our card or go to the Travel Services website [www.umass.edu/campus\\_services/travel/visa\\_card\\_guide.pdf](http://www.umass.edu/campus_services/travel/visa_card_guide.pdf). For questions regarding the auto rental collision damage waiver program benefit provided by the U.S. Bank VISA corporate travel card program, contact 1-800-VISA-911 or UMassTravel Services at (413) 545-0776.

Who is covered? The cardholder and any additional drivers listed on the rental car agreement are covered.

Are there exclusions? This coverage is not provided for vans that carry more than eight (8) or for losses from motor vehicles rented in Israel, Jamaica, the Republic of Ireland or Northern Ireland. In which case, you should purchase physical damage insurance from the rental company.

**b. Paying with a purchase order or personal credit card**

Purchase the Physical Damage Insurance (CDW/LDW) offered by the rental company if paying with a purchase order, personal credit card, or any other means of payment that does not provide primary Physical Damage Insurance coverage. Also, purchase the physical damage insurance if renting a van that carries more than eight or if renting a vehicle in Israel, Jamaica, the Republic of Ireland or Northern Ireland.

**B. State-Owned Vehicles**

1. The University is self-insured for auto liability associated with University/State owned vehicles. The University Treasurer's office manages this program and settles all claims. **Only University employees should be driving University/State owned vehicles.**
2. University/State owned vehicles are NOT insured for Physical Damage (Collision and Comprehensive). Any damages that the University Treasurer's office is not able to subrogate to a third party would be paid for by the applicable department or campus.

**C. Leased Vehicles**

1. Leased vehicles require scheduled insurance coverage and specialty state vehicles require liability insurance.
2. Before a vehicle can be leased, the lease agreement must be approved and signed by the University Treasurer's Office.

The University purchases Liability Insurance and Physical Damage Insurance (Collision and Comprehensive) for all leased vehicles. The title to a leased vehicle remains with the leasing company and, as a result, the University is required by the lessor to purchase insurance on the vehicle. When leasing a new vehicle, University departments should request that the University Treasurer's Office add the leased vehicle to its existing policy. A yearly premium would be assessed to the department, and coverage would extend to anyone driving the vehicle with permission from the department.

**D. In the event of an accident...**

Regardless of the type of vehicle, the University Treasurer's office must be contacted if an employee is involved in an accident while on University business. **If an employee uses his/her own personal vehicle while on University business and is in an accident, their personal insurance is primary and the employee would be responsible for any deductibles.**