Car Rental by District Employees

Should employees purchase CDW (Collision Damage Waiver) insurance when renting vehicles?

Vehicles Rented by the District

Liability insurance protection is afforded to the District and the employee driver for any vehicle rented in the name of the District within the District's Hired Auto coverage. Districts do not usually purchase insurance for damage to hired vehicles. With complete information on the types and amounts paid by the District for rental vehicles, a quotation for Hired Auto Physical Damage Coverage can be obtained – the cost is usually quite low.

Most rental companies require that vehicles be rented in the name of an individual unless the District has a corporate account. If the District has a corporate account, Hired Car Auto Physical Damage Coverage is a certain way to reduce car rental expenses. It would be worthwhile to know what CDW costs the District annually, to determine whether or not to self-insure the exposure.

Our recommendation is that rental agreements show the employee's name "for _____ District" and that a District Auto ID card be carried.

Vehicles Rented by Individuals

Private passenger vehicles rented in the name of an individual have both liability and damage protection under the renters' personal automobile insurance. The District's Non-owned coverage will protect the District only as excess over the employee's insurance.

Trucks and Vans

These vehicles are not always covered by an individual's insurance. Check with your agent before renting.

Purchase CDW When in Doubt

We always recommend the purchase of this coverage when we think there in a greater chance of having an accident: snowy or icy weather, strange locations or driving conditions, or when there is any doubt about the coverage. Also, some Districts feel that the employee is on business, and they do not feel the employee's personal insurance coverage should be jeopardized.

ID Cards

We suggest that all persons renting vehicles carry a copy of the appropriate insurance ID card.