

Tips for rental vehicle insurance offered by a rental company:

Often, the compulsory “collision damage waiver” (CDW) insurance only covers damage to 3rd parties. Check whether the compulsory excess quoted to you by the hire company applies to damage to 3rd party vehicles & property only, or if it extends to include “own damage” to the rental vehicle as well.

Insist that along with CDW cover, that the hire vehicle itself be insured for any damage that may occur, caused by you or another person, and buy out the excess to the lowest possible amount (nil if offered). Insisting that the hired vehicle be insured for “own damage”, and buying out the excess to the lowest possible figure. It is likely to be a good decision, because it lessens the risk of having to stump up with a large excess in the event of a claim. Also, if there is a dispute with the hirer over whether or not damage happened during the hire period, if the excess is bought out, it restricts the amount at risk in the dispute ie. the hire company is limited to a much lower amount chargeable to your credit card.

Ask to examine the vehicle in the presence of the hire company’s representative prior to driving away (often done automatically by the rental company anyway with form signed by the hirer). It is a good idea to use a digital camera to take photos all round the vehicle at the time of hire in case you need to prove damage was pre-hire, not post hire.

So, even though there is a recovery of excess payment available under the NZAC policy, and even if the compulsory insurance is for CDW with an excess, the strongest advice is to ensure that “own damage” is insured and to buy down the excess to the minimum. It really does cut back stress levels should the hire company get “picky” over damage to the vehicle.