

**IOWA STATE UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

Risk Management
125 Beardshear Hall
Ph: 515/294-7711
Fax: 515/294-1621

Interoffice Communication

DATE: May 29, 2001

TO: Deans, Directors, Department Heads
(FOR DISTRIBUTION TO EMPLOYEES TRAVELING ON UNIVERSITY BUSINESS)

FROM: Rebecca Adair, University Risk Manager
Risk Management
125 Beardshear Hall

RE: **Regents Self-Insurance Card – Rental Car Liability**

The enclosed Iowa State University/Iowa Regents Motor Vehicle Self-Insurance cards have been developed to provide university travelers with proof of insurance to rental car companies. Some states do require such proof at the time the rental agreement is signed. The cards also remind travelers to:

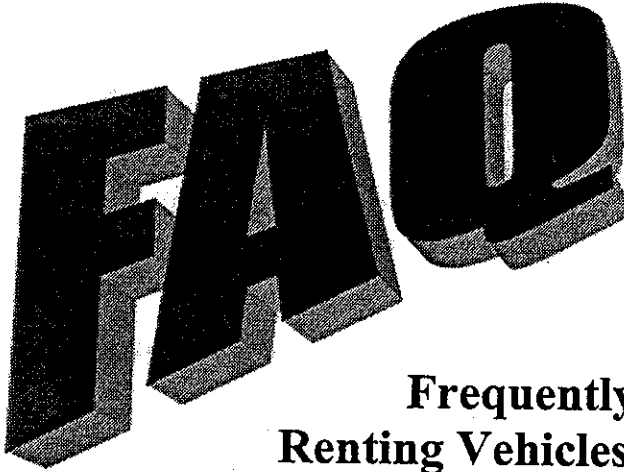
- Decline the optional CDW or LDW
- Buy the minimum liability coverage IF no liability coverage is provided with the basic rate
- Contact ISU in the event of an accident

Please distribute these cards to your employees as needed. Additional cards are available by calling ISU Risk Management at 294-7711 or ISU Purchasing at 294-7040.

In addition, the enclosed Q & A Fact Sheet addresses some of the more frequently asked questions about renting vehicles for university business. This information has only been mailed to you, so we ask that you please distribute it to all employees who travel on behalf of ISU and to staff responsible for making travel arrangements.

If you have questions about rental vehicle liability or the claims process, please contact Risk Management at 294-7711.

Enclosures



Frequently Asked Questions Renting Vehicles for University Business

What is CDW? Do I need to buy it?

A Collision Damage Waiver (CDW) or Loss Damage Waiver (LDW) is an option offered by auto rental agencies to provide protection for physical damage to the vehicle. The Board of Regents Motor Vehicle Self-Insurance Program provides this same protection for vehicles rented for University business. **This means that you should not purchase the additional CDW or LDW coverage.** Departments or employees will NOT be reimbursed for the optional CDW/LDW coverage unless approved by Risk Management prior to travel.

Does it matter what rental company I use?

ISU has formalized agreements for auto rental with Alamo and National rental agencies, and departments/employees are encouraged to use these companies since both companies may include the CDW/LDW in the rental rate. Alamo includes LDW and liability coverage and National includes CDW. Since the rates with these two companies includes protection for physical damage, the Regents coverage would not be used to repair the vehicle.

What if these companies aren't available where I'm traveling or I find a more competitive price from another agency?

It may be necessary or more cost effective to use another rental company, but the CDW/LDW coverage is still not needed. If there is physical damage to the vehicle, the Regents coverage will be used to reimburse the company for repairs if warranted.

Is there any time the CDW/LDW should be purchased?

There are two circumstances when the purchase of the optional CDW/LDW will be reimbursed:

- If you rent a vehicle while on international travel
- If the rental agency won't allow a renter under the age of 25 to decline the coverage

Reimbursement will be made if these circumstances are documented on the travel expense voucher.

What about auto liability insurance? Do I need to buy this?

In the majority of cases, some auto liability insurance is included in the rental cost. If NO liability coverage is provided in the basic rate, purchase the minimum available. This expense will be reimbursed. The Regents program also provides liability coverage for ISU travelers up to \$250,000 per loss.

Will my personal auto insurance or my credit card be subject to claims or charges if the vehicle is damaged?

To assure coverage by the Regents program, rent the vehicle as follows, "to Iowa State University by (your name)." This will make it easier for us to handle the claim for you.

What do I do if I have an accident in a rental vehicle?

Forward claim information to ISU Risk Management, 125 Beardshear as soon as possible. Risk Management will contact the rental company and provide claim adjustment service. Departments may be assessed a \$250 claim deductible.

What if people are injured in the accident?

The liability for personal injuries is limited to authorized ISU employees or those acting as agents on behalf of the university. Personal injury to an ISU employee is covered by workers compensation and the Regents program covers agents or volunteers.

Who can drive the vehicle?

All persons who drive the vehicle must be listed on the rental agreement. The Regents program only covers drivers who are ISU employees, agents or volunteers.

What if I still have questions?

If you still have questions or need more information on rental vehicle liability, contact ISU Risk Management at 294-7711.

Risk Management
125 Beardshear Hall
Ames, Iowa 50011-2038
515-294-7711
FAX 515-294-1621