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# Targeting @ RISK

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## Renting Vehicles for University Business

**What is CDW? Do I need to buy it?** Auto rental agencies offer Collision Damage Waiver (CDW) or Loss Damage Waiver (LDW) to cover physical damage to the vehicle. The Regents Motor Vehicle Self-Insurance Program provides this protection for vehicles rented for ISU business. Departments or employees should not purchase the CDW or LDW coverage when renting in the United States.

**When should the CDW/LDW be purchased?** The only time reimbursement will be allowed is when circumstances are documented on the travel expense voucher as follows:

- 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 coverage

**What rental company should I use?** Departments/employees should use National or Enterprise when available because these companies include CDW, LDW and liability coverage in their contracts with ISU.

**What if these companies aren't available or another rental company is more cost effective?** In both cases, it is fine to use another company, but don't buy the CDW/LDW coverage. The Regents Program will reimburse the company for repairs if warranted.

**Should I buy auto liability insurance?** Only when NO liability coverage is provided in the basic rental rate, then purchase the minimum available and this expense will be reimbursed. The Regents program provides liability coverage for ISU business travelers up to \$250,000 per loss.

**What if people are injured in an accident?**

- Workers Compensation covers employee injuries that happen in the course and scope of employment.
- The Regents program covers injuries to people in other vehicles and to passengers if they are authorized ISU employees or agents or volunteers.

**Who can drive the vehicle?** The Regents program only covers drivers who are ISU employees or authorized agents and volunteers. All drivers must be listed on the rental agreement.

**What should I do if I have an accident?** Notify the Office of Risk Management within 48 hours. Forward the claim information to the Office of Risk Management as soon as possible. The rental car company may charge damages to the credit card used to rent the vehicle until the claim is resolved, but you can avoid personal charges by using an ISU American Express Corporate Card. To assure coverage by the Regents program, rent the vehicle as follows "to Iowa State University by (your name)." Departments will be assessed a \$500 claim deductible.

Contact the Office of Risk Management at 294-7711 if you have questions or need more information on rental vehicle liability.