

# LUTHER COLLEGE

## POLICIES AND PROCEDURES

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Department:	Campus Safety and Security and Welcome Center/Information
Subject:	Rental Vehicle Insurance
Date Issued:	December 16, 2005
Date Revised:	March 23, 2009; October 1, 2011
Approved By:	

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### I. Policy

This policy outlines the conditions of insurance coverages that are available when renting vehicles while traveling on college business.

### II. Scope

This policy applies to all Luther faculty and staff who need to rent vehicles while away from Luther in order to conduct college business activities.

### III. Terms and Definitions

- Car rental agency – agency that rents vehicles for short-term periods.
- Motor vehicle – includes all types of vehicles, which are self-propelled.
- Luther MasterCard Credit Card – credit card issued to employees who travel or purchase goods and/or services. The Office for Financial Services will process payments directly with MasterCard for business-related purchases.
- Master Rental Insurance – rental vehicle insurance coverage provided for vehicle rentals initiated and completed with the Luther MasterCard Credit Card.
- Personal Credit Card – credit card contracted by the individual employee for their personal purchases. The Office of Financial Services reimburses employee purchases for business use. See policy for Reimbursement for Travel Expenses.

### IV. Procedures and Guidelines

A person renting a vehicle for Luther College business will have two options for rental of the vehicle. An employee can use the Luther Master Credit Card or their personal credit card for vehicle reservation and payment. If the person has a Luther Master Credit Card, they must use this card for renting vehicles. The rental of passenger vans larger than eight passengers is not allowed with the Luther Master Credit Card.

#### A. Luther MasterCard Credit Card

- Rented vehicle insurance is provided with Master Rental Insurance for damage due to collision or theft up to the actual cash value of most rental cars, provided the rental period does not exceed 31 days.
- **VERY IMPORTANT** - The entire rental transaction must be initiated and charged to the Luther MasterCard Credit card to activate the Master Rental Insurance coverage. This does not include tax, gas or airport fees.

- Decline the car rental company's collision damage waiver (CDW/LDW) option, or similar provision, if offered by the car rental company.
- The vehicle must be rented in the cardholder's name, which must be the name signed on the rental agreement/contract.
- Rented vehicles must have a manufacturer's suggested retail price that does not exceed USD \$ 50,000.
- Master Rental Insurance will pay for covered damages on a primary basis for which you or any other authorized driver is legally responsible to the rental agency. Covered damages include;
  - Physical damage and theft of the vehicle, not to exceed the limits outlined below
  - Reasonable loss of use charges imposed by the vehicle rental agency for the period of time the rental vehicle is out of service. Loss of use charges must be substantiated by a location and class specific fleet utilization log.
  - Reasonable towing charges to the nearest factory-authorized collision repair facility.
  - Secondary Personal Effects benefits covers damage or theft of such effects. You must first file under other applicable insurance (for example, home, or business), then we'll cover whatever is not covered by your insurance.
  - Theft or damage to personal effects while in transit in the rental vehicle or in any building en route during a trip using the rental vehicle.
- Excluded vehicles are expensive, exotic and antique automobiles; certain vans; trucks; motorcycles, mopeds and motorbikes; limousines; and recreational vehicles.
  - Only those vans, which are standard vehicles with standard equipment and are designed to carry a **maximum of eight people**, are covered. If you are renting a vehicle in the United States that is designed to carry more than eight passengers, a person will need to use their personal credit card with the conditions and insurance provided as outlined in paragraph (B) below. If renting in a foreign country, the person must comply with the procedures outlined in paragraph (C) below.
  - If you have a question regarding a specific vehicle, call the MasterCard Assistance Center at 1-800-MC-ASSIST.
- Master Rental Insurance does not cover injury to persons nor to property other than the rental car as it was originally manufactured.
  - Liability coverage is provided under the hired/non-owned auto portion of Luther's insurance policy with Travelers Insurance. Coverage is provided up to \$25 million.
- Decline the car rental company's liability waiver if offered by the car rental company. Luther's insurance carrier provides this coverage.
- Master Rental Insurance does not have a deductible and covers reasonable loss of use when the vehicle is rented for business use. Use of a rented vehicle for personal use is not permitted.
- If you have an accident:
  - Stay calm.
  - Check for injuries.
  - Contact local authorities.
  - Get the name address, phone number and insurance company of other parties involved.
  - Also, report the accident immediately to the Welcome Center/Information or Campus Safety and Security at 800-258-8437 or 563-387-2111. Welcome Center/Information and Campus Safety and Security are staffed 24 hours-per-day, seven days per week.
  - Do not discuss who is or is not at fault with persons at the scene.
  - Law enforcement authorities and/or insurance claim adjusters will determine fault.
  - Report the accident to your immediate supervisor as soon as possible.

- Immediately, but no later than 30 days following the accident or theft, call 1-800-MC-ASSIST to request a claim form. The Visa claim representative will answer any questions you or the car rental agency may have and will then send you a claim form.
  - At the time of the accident or when the vehicle is returned, ask the car rental company for a copy of their accident report form and claim document which should indicate which costs you are responsible for; a copy of the initial and final car rental contract; a copy of the repair estimate or itemized repair bill; two photographs of the damaged vehicle and a police report, if available.
  - Contact Facilities Services, ext. 1010, immediately on your return with the specifics of the accident. Facilities Services will notify the College insurance carrier about the accident and help follow up on the resolution to the claim.
  - File the claim within 30 days to the MasterCard Insurance Assistance Center.
- Submit the following documentation within 180 days of the incident or the claim will not be honored.
    - Completed and signed claim form.
    - MasterCard receipt showing the rental.
    - MasterCard statement showing the rental.
    - The rental agreement (front and back).
    - Copy of valid driver's license (front and back).
    - Report from police verifying that vehicle was stolen, vandalized, or involved in a collision.
    - Itemized repair estimate from a factory authorized collision repair facility.
    - Copy of the vehicle rental location class-specific fleet utilization log if loss of use charges is being claimed. You must secure this log from the rental agency.
  - For personal effects benefits:
    - Report from police listing items stolen.
    - Copy of the declarations page of any applicable insurance or protection (including, but not limited to, homeowner's, renters, or auto insurance policy).
    - Photograph clearly showing damage, if applicable.
    - Any other documentation that may be reasonably requested to validate a claim.

#### B. Personal Credit Card

- This option is only available if the employee doesn't have a Luther Visa Credit Card or if the car rental agency does not recognize the Master Rental Insurance physical damage provision (most likely to only happen in a foreign country).
- Liability coverage is provided under the hired/non-owned auto portion of Luther's insurance policy with Travelers Insurance. Coverage is provided up to \$25 million.
- Luther's insurance provides \$35,000 of physical damage coverage on rental vehicles if the rental vehicle is damaged. This applies only to vehicles rented in the United States.
  - A \$1,000 deductible is applicable.
  - Departments would be responsible for paying the deductible. An option would be to take the additional insurance offered by the car rental agency to cover the physical damage of the rental vehicle.
- Luther's insurance carrier does not provide insurance to cover "loss of use" of the damaged vehicle.
  - Do not accept this option if offered by the car rental agency.
  - The College will self-insure potential costs associated with loss of use of the rental vehicle.

- If you have an accident:
  - Stay calm.
  - Check for injuries.
  - Contact local authorities.
  - Get the name address, phone number and insurance company of other parties involved.
  - Report the accident immediately to the Welcome Center/Information or Campus Safety and Security at 800-258-8437 or 563-387-2111. Welcome Center/Information and Campus Safety and Security are staffed 24 hours-per-day, seven days per week.
  - Do not discuss who is or is not at fault with persons at the scene.
  - Law enforcement authorities and/or insurance claim adjusters will determine fault.
  - Report the accident to your immediate supervisor as soon as possible.
  - At the time of the accident or when the vehicle is returned, ask the car rental company for a copy of their accident report form and claim document which should indicate which costs you are responsible for; a copy of the initial and final car rental contract; a copy of the repair estimate or itemized repair bill; two photographs of the damaged vehicle and a police report, if available.
  - Contact Facilities Services, ext. 1010, immediately on your return with the specifics of the accident. Facilities Services will notify the College insurance carrier about the accident and follow up on the resolution to the claim.

#### C. Van Rental

- If the situation ever presents itself and a passenger van needs to be rented from a leasing/rental agency, it is strongly advised that a 12-passenger van(s) be requested. Avoid renting 15-passenger vans. These vehicles have been discussed at length by the National Transportation Safety Board (NTSB) for having high incidences of rolling over and the dangers associated with them. In limited cases, use of 15-passenger rental vans may be the only option when renting in other parts of the United States or in another country. If this situation occurs there are a few things that can be done to minimize the risk of rollover from these vehicles
  - Do not allow the use of the last seat in the van (remove, if possible).
  - Do not allow cargo to be stored in the back of the van.
  - Do not allow trailers to be towed behind the vans.
  - Do not allow items to be transported, or strapped to, the roof of the vehicle.
  - Check and re-check to make sure tire pressures are correct throughout the trip. (In these vans the rear pressure is different than the front pressure)

#### D. Renting vehicles outside the United States

- If applicable and acceptable with the car rental agency in the foreign country, use the Luther MasterCard Credit Card.
- Most of the provisions in Section A will apply.
- You may be unable to receive benefits in Australia, Ireland, Israel, Italy, Jamaica and New Zealand. Please contact your vehicle rental agency before you travel.

### V. Confidentiality and Record

The Office for Financial Services will maintain records of vehicle rental charges issued by Luther's Visa Credit Card. They will also maintain records of reimbursements to employees for vehicle rentals.

Facilities Services and Campus Safety and Security will maintain records of vehicle accidents reported with insurance companies. Any questions about the records can be addressed to Facilities Services at ext. 1010, or Campus Safety and Security at ext. 2103.