

# Renting a Car



The Office of the  
**Minnesota Attorney General**  
helping people afford their lives and live with dignity, safety, and respect

Many people need to rent a car from time to time, whether to get around on vacation or while a vehicle is in the shop for repairs. At your next car rental, consider the following:

## Only Buy Optional Coverage Products You Need

The cost of optional coverage products sold by car rental companies can significantly increase the cost of a car rental, sometimes by \$50 or more per day.

The four main types of optional coverage products offered by car rental companies are:

1. Collision or loss damage waivers, which reduce or eliminate your liability for damage to the rental car;
2. Supplemental liability protection, which provides coverage in the event of an accident;
3. Personal accident insurance, which provides coverage for emergency medical expenses and death benefits; and
4. Personal effects coverage, which provides coverage for theft of personal effects.

**All of these products are optional.** Supplemental liability protection and personal accident insurance sometimes provide secondary coverage, which means that the secondary insurance will not pay unless there are costs beyond those covered by the primary insurance.

Under Minnesota law, all auto insurance policies must provide a minimum of \$35,000 in coverage (without a deductible) against damage to a rental vehicle and loss of use of the vehicle, and extend the policy's basic economic loss benefits, residual liability insurance, and uninsured and underinsured motorist coverage to the use of the rental vehicle. This means that if you own a car and have car insurance, your rental car will be covered too.

State law prohibits car rental companies renting vehicles in Minnesota from selling collision damage waivers or other insurance products unless the renter acknowledges in writing that he or she has read and understood a disclosure stating that a personal auto insurance policy must cover the rental of the vehicle and that purchasing these types of additional coverage is unnecessary.

Your rental car may also be covered by your credit card company. Check with your credit card issuer whether the coverage pays before or after your auto insurance, any types of rental vehicles (e.g., luxury vehicles) are excluded, what is and isn't covered, and how long the rental will be covered.

While there may be reasons to buy optional coverage products—such as if you are renting in a foreign country or want coverage for liability that exceeds the amount provided by your personal auto insurance policy—the decision to do so should be one you *knowingly*, not *unwittingly*, make. (Your personal auto insurance policy may not cover cars rented in another country.)

You should check with your insurance company to determine the scope of your coverage before you rent a car. Also, if you pay by credit card, check if your credit card company provides coverage.

## Inspect the Car Before You Leave the Lot

Car rental companies hold the renter responsible for the safe return of the rental vehicle. Aside from normal wear and tear, they expect the rental vehicle to be returned in the same condition as when it was rented. If an accident or other damage occurs, the rental company will hold you liable for repairs—even if it wasn't your fault. Even small scratches can lead to charges costing hundreds of dollars.

Before you leave the lot, you should inspect the car and make sure any existing damage has been recorded by the rental company. To protect yourself, you may also want to take pictures of the entire car. While this takes time, having your own record of the vehicle's condition before and after the rental could save you even more time and money down the road.

## Beware of Additional Costs

Besides the basic rental charge, you may have to pay several extra fees when renting a car. Some of these fees may be buried in the small print of your rental contract. To avoid an expensive surprise when you return the car, ask the rental company about fees before you rent the car and read your rental contract carefully. Some common fees include:

- **Gas Fees.** If the rental car company has to refill your gas tank when you return the car, it will likely charge you an above-market price for the gas, sometimes over \$10 per gallon. Returning the car with the proper amount of gas (typically a full tank) is usually a less-expensive option. If you drive only a limited number of miles (e.g., less than 75 miles), some rental car companies will automatically add a hefty gas fee to your bill unless you provide a receipt showing you purchased fuel.
- **Mileage Fees.** While most rental companies offer unlimited miles, there may be some specific vehicles or situations for which mileage-based fees apply. Mileage fees can add up quickly. Knowing how far you plan to drive before you rent can help you choose a vehicle or rental company to avoid or limit mileage fees.
- **Drop-off Charges.** Some rental companies charge an extra fee for dropping off a car at a location other than the one at which it was rented.
- **Airport Tax.** Airport fees, which are fees charged when a vehicle is picked up at an airport, can significantly increase the cost of a car rental. Some

car rental companies may even apply airport fees to the cost of your rental car if you are shuttled to one of their off-site locations.

- **Return Fees.** You may be charged a fee if you return the rental car more than 24 hours before the scheduled drop-off or if you return it late.
- **Additional Driver Fees.** Some rental companies charge fees for additional authorized drivers—even spouses. Many car rental companies have lowered the minimum age to rent a car to 21, but most charge an extra fee for drivers aged 21 to 24.

## Additional Tips:

- **Scrutinize the Rental Contract.** Some aggressive car rental agencies may automatically add optional products to their rental contracts and get you to sign off on them without taking a closer look. Make sure that you are paying only for products and services that you need and have knowingly agreed to. Review the rental contract carefully and ask the rental agent questions about specific charges.
- **Beware of Pushy Sales Tactics.** Some consumers report that they purchased unwanted products, such as damage waivers and liability insurance, because the rental agent told them they were required to do so to rent the vehicle. Make sure you understand what items are optional in a rental agreement.
- **Only Allow Authorized Drivers to Take the Wheel.** Allowing an unauthorized driver to operate your rental vehicle may inadvertently cancel any liability protection under the rental agreement. This can be very costly if the car is involved in an accident. Tell the rental company up front if you want other people to be authorized to drive.