

Walker-Poole Insurance, Inc.

VILLAGE QUARTERS
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Dear Policyholder:

We receive many inquiries regarding Erie Auto coverage extending to a short-term (maximum 45 days) rental. (There are no provisions for coverage overseas.)

When renting a vehicle you sign a contract making legal and financial commitments between you and the rental company. Insurance may serve as the source of funds in only limited circumstances.

You will be given the option to purchase from the rental agency various optional coverages.

For **liability** coverage to extend automatically from your policy, the vehicle must be rented by the Named Insured of your policy. Your Erie liability could be required to be primary coverage or could respond as excess coverage carried by the rental depending on the contract. One optional coverage you can purchase would make the rental company liability primary coverage.

A second option will be a Physical Damage waiver. If you elect not to purchase this coverage, when the vehicle is returned with damage you must meet all obligations of payment you agreed to in the rental contract. Deductible obligations have been as high as the value of the car. Rental companies also charge for loss of rental income during the time the damaged vehicle is being repaired (downtime) and loss of value (diminution) of the vehicle.

If you carry **comprehensive and collision** on your Erie vehicle and it is a covered loss, Erie would reimburse you for only the deductible portion of the contract obligation. Downtime and loss of value are not covered.

Rental contracts are shifting more responsibility to you. You may be held responsible for damage to the rental car where there would be no coverage under your auto policy including mechanical breakdown or nonpermissive use.

Purchasing the Physical Damage waiver may meet more of the contract obligations.

Since few read the small print at the rental counter, we suggest discussing your exposure by calling the rental company prior to renting the car.

We realize the information above may be confusing please feel free to contact our office for additional explanation.

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