

CAR RENTAL GUIDE



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INTRODUCTION

Car-rental agents use some puzzling terms. This fact sheet will familiarize you with some of the terms and options you face when you rent a car.

CHOOSING A CAR-RENTAL AGENCY

Before you reserve a car, know what model and options you need, and how much you can spend. This will help you avoid hasty or expensive decisions you will later regret. Before you choose, consider the following:

- Call several car-rental agencies for price estimates; most have toll-free numbers and websites. Many offer weekly, weekend and internet-only specials. If your plans are flexible, you may save money by renting a car when you can get a discount. Ask about any restrictions on special offers.
- Decide what model and size car you want, but realize that each car-rental agency may have its own classification system. The terms “compact,” “mid-size,” and “luxury” often differ among agencies.
- Additional fees could substantially increase an advertised base rate. Such fees include: collision damage waiver fees; refundable charges; airport surcharges and drop-off fees; fuel charges; mileage fees; additional-driver fees; under-age driver fees; out-of-state charges; equipment rental

fees, and local special taxes on tourism and travel services.

LEARNING THE TERMS

Definitions of common additional fees follow. Asking about these fees before you sign your rental agreement may help you save money on your trip and avoid disputes when it is time to pay.

Collision Damage Waiver (CDW), in states that allow it, is an optional charge of \$10-\$20 a day. Car-rental agents may encourage you to buy it. Although they call it “collision damage” coverage, it is not technically collision insurance. Instead, it is a “guarantee” you buy from the agency that it will pay for damages to your rented car. However, under CDW, the agency will not pay for bodily injuries or damages to personal property. If you do not buy CDW coverage or are not covered by your own auto insurance policy, you could be liable for the full value of the car.

Some CDWs exclude coverage in certain circumstances. For example, coverage may be revoked if you damage the car when driving negligently, on unpaved roads, or out of the state where you rented the vehicle. Some companies void their CDW coverage if a driver drinks alcoholic beverages or someone is driving other than the one authorized on the rental contract.

The coverage offered by rental agencies may duplicate what you already have in your auto or homeowner's insurance policies. Your medical plan will probably cover bodily injury. Check your policies and medical plan. If you are traveling on business, your employer may have insurance that covers you. Also, some credit-card companies provide free rental protection when you use their card to pay for the rental.

Most companies charge your credit card an extra refundable charge when you pick up the car, but do not process the amount against your account unless you do not properly return the car. Until you return the car, the spending limit on your card may be reduced by the amount of the deposit. This may be important if you intend to place large charges on your credit-card and are approaching the credit limit.

Airport Surcharges and *Drop-off Fees* can add considerably to a base rental rate. Surcharges apply when airport authorities impose fees for airport use even when car-rental agencies shuttle you to an off-airport site. Drop-off charges may apply if you drop off the car at a location different from your pick-up point.

A *Fuel Charge* is the amount many rental agencies add to your bill for gasoline. If you do not pre-pay for fuel, you will probably be required to return the car with a full tank. If you fail to refuel the car, you will be charged the agency's price for gasoline, which is often higher than you would find at a local station.

Mileage Fees are usually assessed on a cents-per-mile basis or a flat fee if you exceed the allotted free mileage cap. Knowing how far you will drive will help you select the agency with the best mileage terms.

Additional Driver Fees and *Underage Driver Fees* are costs that an agency assesses when you share the driving with a companion or when a driver is under a certain age (often 25).

Out-of-State Charges, as the name suggests, are fees an agency adds when you drive the car out of the state where you rented it.

Equipment-Rental Fees are costs that an agency assesses for such extras as ski racks or car seats. If you need these items, be sure to request them in advance.

CHECKLIST

Here are some other checkpoints that may save you money.

- Determine where you will pick up and drop off the car and if these locations are without special fees.
- Find out about any blackout dates that could affect an advertised special.
- Ask about the weekly rate if you are considering a rental for more than four days. The daily rate for rentals of more than four days, but less than seven, is often higher than the weekly rate.
- Ask about mandatory additions to the quoted price, such as mileage rates, fuel charges, airport surcharges, and taxes.
- Ask about charges for optional CDW coverage. Find out if your own auto insurance policy covers rental cars.
- Ask about charges for additional drivers, underage drivers, and equipment.

***This handout is general in nature. It is not a substitute for legal advice from an attorney regarding individual situations. (August 2021)**

For additional information on this and other legal topics, see the Air Force Legal Assistance Website:
<https://aflegalassistance.law.af.mil>