



SPENCER INSURANCE AGENCY, INC.

FAQ's: Frequently Asked Questions

Q: I am going on vacation this summer and I am renting a car. Should I purchase the LDW (Loss Deductible Waiver)?

A: Spencer Insurance cannot make this decision for you; however we will provide you some guidance. It may make sense to purchase this coverage but it will cost you some additional money.

Advantages of purchasing LDW:

- Waives responsibility for all losses to the car, loss of use, towing and storage fees, etc.
- You do not pay a deductible
- You have an immediate settlement and do not have the aggravation of filing a claim with your Personal Auto Insurance Company
- Protects the renter's Personal Auto Policy. Since you did not make a claim on your personal auto policy your rates will not increase due to the accident.
- Most Personal Auto Policies only cover you when you are in the United States, Puerto Rico or Canada

Disadvantages of purchasing LDW:

- The cost
- Coverage is voided for restricted use or unauthorized driver

Disadvantages of relying on your Personal Auto Policy:

- If you do not have physical damage coverage on any of your personally owned cars you have no physical damage on the rental car since the coverage for the rental car follows the coverage on your personal auto.
- Loss of use is limited or excluded
- Towing and storage fees limited or excluded
- You pay a deductible
- Problems with settlement
- Possible premium increase
- You may be delayed at the rental car counter when you return the car

You need to decide if paying the additional cost for the LDW is warranted. Hopefully this summary will guide you in your decision. Please call our office to discuss this topic BEFORE you rent the car to make sure your coverage will extend to the car you are renting.