



August 7, 2007

**Insurance Requirements**

<u>Type of Rental</u>	<u>Insurance Requirements</u>
Short and long term car rental through <b>contracted</b> rental car companies.	None – already negotiated insurance terms within the contract
Short and long term car rental <b>without</b> contract.	\$250,000 liability *Physical damage coverage
Short and long term box truck rentals through <b>contracted</b> rental car companies. **	None- already negotiated insurance terms within the contract
Short and long term box truck rentals <b>without</b> contract.	\$250,000 liability *Physical damage coverage

The State Motor Vehicle Liability Self-Insurance Program (VELSIP) is a program funded through annual assessments billed to individual agencies based on owned vehicles and claims activity. When an agency rents or leases a vehicle and should sustain a loss; there is no premium or assessments received to offset this exposure. Therefore, it is suggested that agencies purchase, at a minimum, liability insurance when leasing or renting vehicles from a non-contracted company.

\*The purchase of physical damage coverage would be a decision the individual agency would make. The Office of Risk and Insurance Management (ORIM) will issue self-insurance letters on behalf of any agency but the agency is financially responsible for any damage to the rental vehicle. The (VELSIP) **does not** provide coverage for damage to the rental vehicles (physical damage).

\*\*Currently there are no contracts in place for box trucks. However, insurance terms should be negotiated within the contract.