

Damage to Rental Cars

You are on TDY with an authorized rental car when you are involved in an accident. The rental agency attempts to collect from you for the damages. Are you liable? What about third parties that may be involved in the accident? What should you do?

The answer is - it depends. If you followed the rules, were proactive in the choice of rental agencies, and were operating the vehicle within limits, you are not liable to the rental agency for damage to their vehicle. The Military Traffic Management Command (MTMC) has negotiated a contract with many rental agencies in the United States and abroad.. The contract provides insurance coverage for rental vehicles used for official business by U.S. military and civilian employees, Government contractors, most NATO military members and employees, and U.S. Government local national employees in some foreign countries. Under the terms of the contract, the rental agency will bear the risk of damage to or loss of the rental vehicle, and be primarily liable for \$25,000 property damage to the property of third persons and \$100,000 per person and \$300,000 per incident for personal injury to third parties. Of course you must be operating the vehicle properly. If the damage occurs while you are engaged in illegal activities, willful misconduct (road rage); operation of the vehicle off-road or across international boundaries without authorization; or pushing/towing another vehicle you are not covered. In the event of an accident or needed repairs, you should immediately notify the rental company using the telephone numbers provided by the company and request a replacement vehicle and disposition instructions on the disabled vehicle, if necessary. You should also request a police report for the company.

To ensure coverage by the MTMC Contract, you should authenticate his official travel status by presenting travel orders and/or by using a Government charge card. In addition, you should list any other authorized users on the rental agreement. While this not required by the MTMC Contract, these actions may prevent nasty disputes by making clear to the rental agency that the contract will apply to the rental. If you are charged for damages to the rental vehicle should immediately dispute the charge contact your agency's Transportation Office, or the government representative of the rental car company. Unresolved problems can be forwarded to MTMC. A copy of the MTMC rental agreement and a list of government representatives for the various rental companies may be found at <http://www.mtmc.army.mil/travel/car/>.

If damage to the rental vehicle falls under one of the listed exceptions (towing, driving off-road, etc), the rental agency must submit the bill to your agency and not directly to you. If the agency determines that you were acting within the scope of your employment when the damage occurred, then it pays the rental agency. If you were not acting within the scope of your employment (for example, you were under the influence of alcohol), then it will inform the rental agency, and the rental agency must proceed against you individually.

If the MTMC Contract coverage is insufficient or you did not rent from a MTMC contract agency, and if you rented the vehicle with the Government credit card, you have limited coverage under the credit card agreement between the Government and the Government travel card credit card company. This covers collision, theft, or damage to the rental vehicle only; it does not provide coverage for third-party liability. The term of the rental can be no more than 31 days (except in Jamaica, Israel, and Ireland, where no coverage is offered). Coverage applies to all cars

and minivans with up to eight-passenger capacity; it does not apply to trucks. The renter must decline the rental agency's Collision Damage Waiver (CDW and LDW) coverage. To file a claim or for more information, call 1-800-VISA-911 (1-800-847-2911).

You should notify the agency claims office as soon as possible in the event of an accident involving third parties. If you were in scope and available insurance is insufficient to pay claims by third parties injured in the accident, such claims are paid under the appropriate chapter of Army Regulation 27-20. You are personally responsible for out-of-scope claims of all kinds.