



STATE OF ALABAMA
DEPARTMENT OF FINANCE
DIVISION OF RISK MANAGEMENT

777 South Lawrence Street
Montgomery, Alabama 36104
Telephone (334) 223-6120
Fax (334) 223-6154
<http://agencies.state.al.us/riskmgt>

A. LEE MILLER
General Counsel

JERRY CARPENTER
Risk Manager

DON SIEGELMAN
Governor

HENRY C. MABRY, III
Director of Finance

MEMORANDUM

To: All Agencies Participating in the Auto Liability Program
From: Carl Walter
Re: Rental Car Physical Damage Coverage
Date: December 1, 1998

GOOD NEWS!

We have recently negotiated with our reinsurer to provide automatic physical damage coverage (comprehensive & collision) at no cost for any vehicle that an employee of yours should rent from a car rental agency for short term (30 days or less). This coverage is provided regardless of whether you are now participating in the Physical Damage program or not. Deductibles are \$250 for comprehensive and \$500 for collision.

Previously, the employee had to buy the physical damage waiver from the rental agency to provide coverage for any damage they should do to the rented vehicle. This was an extra expense for your agency and sometimes, employees elected not to buy this coverage. In several instances, damage was done to the vehicle and the repair expense had to be borne by the employee or agency.

This coverage is now automatic and, of course, any accident should be reported to Risk Management as soon as possible. Also, be sure to have a police report made by the local law enforcement agency.

As mentioned above, this coverage is being provided at no charge by our reinsurer, but if your employee uses any American Express card or any Gold card of any issue, coverage, at least in part, is provided by the card issuer free of charge. Use of these cards would help to keep our loss record lower with our reinsurer.

We are happy to be able to provide this valuable coverage and if you should have questions, please call me at (334)223-6138.