



Diminished Value – Rental Car

What is diminished value rental car insurance?

Diminished value coverage pays the difference in trade value that the rental car company claims as a loss because they no longer can sell or trade in their rental car and obtain as high a price as they could have if it had never been in an accident.

Yes, the auto has been repaired and it looks as good as it was before the accident, but they likely are obligated to inform any buyer of the vehicle that it was in an accident and repaired. Buyers prefer to buy autos that have not been in accidents as opposed to those that have. This difference in value can be determined and more rental car companies are expecting to be paid for this loss.

Your personal auto policy may not consider this as a covered loss and you should double check with your insurance company to see if they will or if they have an endorsement that can be added if you are considering using your personal auto policy as your insurance coverage for a rental car and NOT purchasing the \$20 plus per day insurance from the rental company.