

INSURANCE

Does My Car Insurance Cover Rental Cars?

Is it safe to decline the extra coverage car rental companies offer you when booking? Here's what you need to know.



When you rent a car, the company almost always offers supplemental coverage that costs extra. When you get to that stage of the booking process, you're probably wondering if it would be irresponsible of you to decline to save a few bucks.

The good news is that the answer is probably no. Most people can safely decline the added coverage. Technically, what rental car companies are offering you is usually not insurance, but a waiver. Basically, for a fee, you can waive responsibility for damage to the rental car while you have it.

The benefit of this is that, if something happens, you can just return the car and be done with it. There's no claims process and no deductible to worry about. The drawback is that these waivers can be pricey and, depending on what's in your wallet and where you're driving, probably unnecessary.

If you already have car insurance and especially if you have a credit card that covers rental car insurance, it probably isn't worth the added cost. Feeling unsure about whether you should deny that damage waiver the rental car company is offering you? Here's what you need to consider as you decide.

Your regular car insurance likely applies when driving a rental car

If you already have car insurance, your coverage likely extends to a rental car. That is, whatever you'd be covered for when driving your personal car should apply when driving a rental as well.

But, there are always exceptions and the limits may differ depending on where you're renting the car.

If you're booking a car rental soon, call your insurer and ask the following questions to find out what coverage you have and whether or not there are any gaps you might need to address before getting behind the wheel:

- Does my current coverage extend to a rental car?
- If you pay for roadside assistance or other special coverage, too, do they also extend to a rental car?

If the answer is yes to both of these questions, review your policy just to remind yourself what is included.

If your regular car insurance is a minimum coverage policy, for example, you wouldn't be covered for damages to the rental. In that case, paying for the collision damage waiver might be worth it.

If you're driving this rental car for an extended period, it might be worth getting a quote to add collision insurance to your existing policy. Those waivers can get expensive fast, so it might be cheaper to just add the coverage to your policy.

You probably aren't covered if you're driving in a foreign country

If you're renting a car in another country, your U.S. policy likely doesn't extend beyond the United States (and sometimes Canada or Mexico). In this case, you'll need to check the insurance requirements of the country you're driving in.

Since you'll also probably need to apply for an international driving permit in order to drive there, you can check into insurance requirements while you're doing that. This is also something you can ask the car rental company about.

Your credit card might also fill any gaps in coverage

Many travel credit cards offer rental car protection as a perk. This benefit kicks in after your own car insurance pays out whatever it has to pay in an accident. While credit cards vary, the protection is usually similar to the damage waiver the rental car company wants to charge you extra for.

In most cases, activating this coverage is as simple as booking the rental with the credit card that offers rental car protection. If you're in an accident, it may reimburse you for any deductible you had to pay on your own insurance and it may cover damage or theft to the car you're renting.

If you have a travel card already, read the fine print on how its rental car protection benefit works and what it covers. If you don't, consider applying for a card before you book the rental.

Rental car reimbursement coverage is different (and not usually included)

If you're wondering whether your car insurance will pay for the rental car you need because you were in a car accident, that's a different story. Unless you made sure to add something called "rental car reimbursement coverage," you're probably going to be stuck paying out of pocket for that rental.

Of course, you can still decline the damage waiver because your insurance will cover you while you're driving that rental and, if you use the right credit card, you may not even be on the hook for the deductible if you're unlucky enough to get in another accident while driving that rental car.

NYSUT NOTE: Getting every benefit possible out of your car insurance is always welcome. The [Farmers Insurance Choice](#) platform, offered by Farmers GroupSelect, is endorsed by the NYSUT Member Benefits Corporation and offers competitive auto insurance to meet your needs. Call them toll-free at 866-NYSUT-22 for a quote today.

About the Author

Rachael Green

Personal finance eCommerce writer

Rachael Green is a personal finance eCommerce writer specializing in insurance, travel, and credit cards. Before joining Kiplinger in 2025, she wrote blogs and whitepapers for financial advisors and reported on everything from the latest business news and investing trends to the best shopping deals. Her bylines have appeared in Benzinga, CBS News, Travel + Leisure, Bustle, and numerous other publications. A former digital nomad, Rachael lived in Lund, Vienna, and New York before settling down in Atlanta. She's eager to share her tips for finding the best travel deals and navigating the logistics of managing money while living abroad. When she's not researching the latest insurance trends or sharing the best credit card reward hacks, Rachael can be found traveling or working in her garden.

Kiplinger

Kiplinger is part of Future plc, an international media group and leading digital publisher
© 2026 Future US LLC