

# Questions Surround Rented Motor Homes, U-Haul Trucks and Trailers

Your personal auto policy (PAP) client wants to rent a motor home for an upcoming vacation. In trying to find out if the PAP covers the motor home, you call the company three times and get three different answers. Does this sound familiar? How have you responded to such questions from your insureds?

One of the most common questions CSRs handling personal auto accounts receive involves rental cars. Last week's *JN&V* covered the pros and cons of purchasing the collision damage waiver (CDW). Less common, but just as important to your clients (and your E&O carrier), are questions about renting vehicles other than private passenger autos, such as motor homes and U-Haul-type trucks.

Let's take a look at the 1998 version of ISO's PAP to see what it says about motor home coverage. By the way, the same coverage issues will apply for the rental of a U-Haul-type truck should your client rent one of those.

**Liability.** Liability coverage is provided for the named insured, resident spouse and resident family members for "...the ownership, maintenance or use of any auto or trailer." Your insured is covered for liability claims when using the motor home/U-Haul truck. Even though "auto" seems to imply a private passenger car, several court cases hold that a moving truck is an auto, thus coverage applies. A note of caution: The motor home/truck must be for personal use since business use of a motor home/truck is not covered by the PAP unless the PP 03 06 (Extended Non-Owned Coverage) is added to the policy. Under the 2005 version of the ISO PAP, the use of the PP 03 06 will no longer provide coverage for the business use of a vehicle that is not a private passenger auto, pickup, van or trailer. In other words, the business use of a motor home or rental truck will no longer be covered.

**Medical Payments.** Medical payments coverage is provided since the policy states coverage applies "while occupying...a motor vehicle designed mainly for use on public roads..." The same business use exclusion found in liability coverage applies for medical payments coverage.

**PIP.** The PAP provides Personal Injury Protection (PIP) benefits just as if the insured were in any other motorized vehicle. There are no unique exclusions concerning PIP coverage and a motor home or moving truck. Of course, if the claim takes place outside of Florida, PIP benefits would not apply since the insured would not be occupying "your covered auto." Note: This applies only to the Florida no-fault law. Check the statutes in your state for applicability.

**Uninsured Motorists.** Uninsured motorist (UM) coverage benefits will apply with no unique exclusions. This holds true whether the UM is stacked or non-stacked, personal or business use, in or out of state. Note: This applies only to the Florida UM law (and the unendorsed ISO UM coverage). Check the statutes in your state for applicability.

**Physical Damage.** Physical damage coverage is *not* provided by the PAP since the policy states coverage for a non-owned auto applies only for a "...private passenger auto, pickup, van or trailer..." This means that the insured is best served to purchase the collision damage waiver from the rental company. Failure to do so could result in the insured having to cover damage to the motor home or truck, loss of rent charges and administrative expenses the rental company imposes. There is no endorsement to remedy this coverage gap. Also, note that, if the vehicle rented is a trailer, the ISO PAP only provides \$500 of physical damage coverage. Some elaborate camper trailers are valued at five figures, so purchased of the CDW/LDW is a must!