



2459 Agricola Street
 Halifax, NS B3K 4C1
 T 902-406-7439
 F 902-406-7431
 info@carsharehfx.ca
 www.carsharehfx.ca

About Collision and Damage Insurance Deductibles

If one of our members has an accident in one of our cars, or it is damaged during their reservation and they are deemed to be “at fault” their Membership is responsible to pay the first slice of repair costs. This is the “Deductible”. When an accident is reported the deductible amount may be charged against their account as a hold, pending final resolution by our insurers.

Without the Deductible reduction options described below, Memberships pay for either the actual cost of repairs including vehicle out of service time OR \$1,500, whichever is less.

Reducing Your Deductible 3 Ways

- Option 1: You have a premium **MasterCard** or **Visa** credit card that includes **car rental** collision and comprehensive coverage as a feature **and** you use that card to pay¹ CarShareHFX and sign a waiver form. You will then have a **zero-deductible** collision and damages insurance policy² from your credit card issuer. Your signed waiver of the CarShareHFX coverage includes your authorization for CarShareHFX to act on your behalf for any claims on the credit card policy.
- Option 2: You have coverage from **another car or business insurance policy** that provides coverage for your use of rental cars, and offers you a lower deductible: you may sign a waiver of our coverage in favour of the other policy, subject to our Broker’s acceptance. Your deductible will then be whatever that policy sets. You will make the claim with your insurer. CarShareHFX will provide you all necessary information. CarShareHFX will charge your account as our costs are incurred.
- Option 3: You can pay the annual CarShareHFX **Deductible Reduction fee**, and we will only charge you for the first \$500 of any repair bill, rather than \$1,500.

You can elect any of these options at the time you join, or at any time later.

	Your Deductible	Your annual cost	Claim handling by
CarShareHFX memberships	\$1,500	none	CarShareHFX
With Credit Card with CDLI/CDW waiver	\$0	Annual fees for credit card	CarShareHFX
With Deductible Reduction Fee for Household Memberships	\$500	\$100	CarShareHFX
With Deductible Reduction Fee for Workplace Memberships	\$500	\$150 + \$20/driver	CarShareHFX
With other Insurance that covers your use of rental cars, waiver	Policy's deductible: \$_____	ask your broker \$_____	You & your insurer

¹ You must pay all CarShareHFX bills with the credit card to qualify for this coverage. It is up to the member to confirm with their card issuer that they do have this coverage.

² There are a few coverage exceptions on the credit card policies – many do not cover rental of pick-up trucks or full-size vans, and some may not cover damage to glass. Anything not covered is subject to our regular deductible charges.

Workplace Memberships & Insurance

Workplace Memberships can reduce their deductible exposure several ways

1. They pay their CarShareHFX account with a **corporate credit card** that includes rental car damage waiver insurance as a feature, and waive the CarShareHFX coverage.
2. They have or obtain rental car damage coverage that has a deductible lower than \$1,500 through their **general business** or a company **vehicle insurance** policy, and sign a waiver of the CarShareHFX coverage.
3. They pay CarShareHFX an annual **Deductible Reduction Fee** so that they pay only \$500 of the deductible on at-fault accidents.

With option 1, the deductible is effectively zero. With option 2, the deductible is whatever the alternative insurance policy sets. With Option 3, the deductible is reduced to \$500.

NOTE: Waiving our collision and damage insurance coverage does not affect any other parts of our Fleet Insurance coverage for members: all members driving our vehicles are covered by the \$2,000,000 Liability and other coverages of our fleet policy.

Option 1: Premium Credit Card

- Your organization has a corporate/business **MasterCard** or **Visa** credit card that includes car rental collision and comprehensive coverage as a feature (MasterRental™ CDW / VISA CDLI)
- and use that card to pay for all your CarShareHFX usage, and
- and have signed the appropriate waiver form(s) with CarShareHFX.

You will have a Zero-deductible collision and damages insurance policy from your credit card issuer. The credit card's insurer will pay CarShareHFX for all at fault damages and related charges on your account. CarShareHFX will handle making any claims on your behalf. There are some exclusions to this coverage, but none are likely to pertain to vehicles in the CarShareHFX fleet.

Depending on the card issuer you may have to apply for an individual card issued for each of your drivers using the CarShareHFX fleet at a cost of \$25 - \$50 a year in addition to the credit card master account's annual fee (\$60 - \$150).

It may be appropriate to consider the fees for a CarShareHFX-dedicated credit card account as the insurance premium for a zero-deductible CDLI policy.

Option 2: Other general business or fleet insurance coverage

- A. Your regular business insurance has a policy that offers or could offer coverage for use of rental cars by your employees, and it has a deductible that is lower than CarShareHFX's deductible.

Reduced Deductible with SEF 94

- Your insurance broker can arrange the addition of an SEF 94 - Legal Liability for Damage to Hired Autos - clause to your general business policy that provides coverage for your employees' use of rental cars (and hence, for their use of carshare vehicles)
- You sign a waiver of CarShareHFX Damage coverage in favour of your business policy, subject to our Broker's acceptance.
- Your deductible will then be whatever your Business Insurance policy sets.
- CarShareHFX will charge your account for the damages incurred, providing copies of all documentation; you will claim reimbursement from your insurer.

Other vehicle insurance

If your organization has insurance for vehicles you own or lease that has a deductible that is lower than the CarShareHFX deductible and includes a clause that provides coverage for your employees' use of rental cars,

About CarShareHFX Memberships and Insurance Deductibles

you may be able to waive our coverage. If not included, such a clause could be added by your broker at your request

- You sign a waiver of our coverage in favour of your vehicle policy, subject to our Broker's acceptance.
- Your insurance deductible will then be whatever your own policy sets.
- You will make a claim against your policy for the damages.

Option 3: CarShareHFX Deductible Reduction Fee.

This is an annual fee set by CarShareHFX. In return for the optional fee, CarShareHFX requires the Workplace Membership to pay only the first \$500 of any 'at fault' collision or comprehensive damages for each instance.

The 2009-2010 fee is \$150.00 for the Workplace and \$20.00 for each member of the Workplace Drivers List.

You can elect any of these options at the time you join, or at any time later.

Notes on the premium Credit Card insurance:

CarShareHFX strongly recommends this option.

- It provides the Membership with zero-deductible coverage. A zero-deductible option is usually not available with other policies, at any premium.
- The annual fees for credit cards that provide this coverage are as low as \$40 a year for the principal card.
- In order to have the CDLI/CDWI coverage for each driver some card issuers and their insurers require that additional subsidiary cards be issued in the name of each, at an additional cost (as low as \$25 a year each).
- The CarShareHFX waiver provides that CarShareHFX will take care of the whole claims process for the Membership.

NOTE Credit Card Control:

Your organization could obtain a new Business credit card with the rental insurance coverage,

- regard the annual cost as a premium for the zero-deductible insurance coverage, and
- use that card account solely to pay the CarShareHFX charges, and
- keep the card or cards locked away.

• CDLI / CDW Coverage Limitations:

- **Vehicles excluded:** The card coverage may not cover rental of pick-up trucks or full-size vans, and some may have other exclusions. Any vehicles excluded, or damages not covered would be covered under the CarShareHFX Fleet policy, and is subject to our regular deductible charges.
- Some card issuers / insurers provide the CDLI/CDW Rental Car coverage without requiring each driver to have an individually issued card. In the fine print of the credit card policies there is an exclusion that says only one rental car at a time per card is covered by the zero-deductible coverage. For this to have any impact would require that two of your drivers have 'at fault' incidents while their reservations overlap: in that case one of the two would not be covered by the card insurance, and you would be liable for a non-zero deductible. The risk of this occurring is very low.

CarShareHFX has consulted with other Canadian car share organizations whose business members use the credit card coverage: CAN (Cooperative Auto Network) of Vancouver reports that they have never had a two overlapping accident situation. They've been operating since 1997, they currently have 200+ cars in their fleet.

In the event of such an occurrence CarShareHFX will absorb 50% the cost of any deductible costs incurred: the maximum charge would be half of our deductible (currently \$2,500).