

RENTAL EQUIPMENT PROTECTION (REP)

WHAT DOES IT COVER?

PHYSICAL DAMAGE COVERAGE ON RENTED EQUIPMENT INCLUDES BUT IS NOT LIMITED TO:

- Accidental Damage
- Collisions
- Earthquakes
- Falling Objects
- Fire*
- Flood
- Hail
- Overturns
- Theft
- Vandalism
- Wind
- Non-Excluded Perils

*see limited fire exclusion

WHO NEEDS REP?

- Customers who cannot show proof of insurance or non-account cash customer.
- Customers who want to protect their business/personal policy.
 - If damage occurs on a business or other personal policy, the client could experience rate increases. If REP is used in place of their own policy, they will not risk any rate increases.

WHAT ISN'T COVERED?

REP IS NOT LIABILITY INSURANCE

- The customer is still responsible for liability coverage through their corporate policy or homeowners' policy. No carrier will cover the liability for a third party.
- Liability coverage for the cash customer should be covered by their personal/homeowners' policy.
- Account customers should be covered for liability by their general liability policy.

REP does not cover:

- Civil Authority
- Contamination/Deterioration
- Dishonest or Illegal Activity
- Failure to Maintain Equipment
- False Pretense
 - If a customer come in to rent the equipment and has no intention of returning the equipment.
- Fire- Close Proximity to Open Flame
- In-Transit Damages
- Loss of Use
- Mechanical Breakdown
- Mysterious Disappearance
 - E.g., A customer losing a piece of equipment but is not willing to submit a police report.
 - This is not theft. Theft is a covered peril.

- Nuclear Hazard
- Pollutants
- Temperature/Humidity
- Underground Operation
- War and Military Action
- Wear and Tear

CLIENT DECLINES REP?

CUSTOMERS MUST PROVIDE PROOF OF INSURANCE TO DECLINE REP

Proof of insurance consists of:

- Certificate of property insurance showing specific or blanket rented equipment coverage.
- Certificate of insurance must be faxed, photocopied, or emailed before the rental contract is closed out.
- If proof of insurance is not provided prior to the rental contract closing, REP charges will be applied.

For questions about certificates of insurance or requests to validate a certificate, contact JT Bates Group at certificates@jtatesgroup.com

HIGH RISK RENTALS

- Machines used in land clearing (increased risk of damages from fire due to debris)
- Machines that are used near water, cliffs, or other natural environmental danger (increased risk of overturn, falling objects, water damage etc.)
- Pumps (oversized objects can be inhaled)
- When small equipment is used with mobile equipment (drive over risk)

WHAT DOES IT COST?

THE COST OF REP IS 15% OF THE RENTAL CHARGES

FORMULA:

$$\$300 \text{ (daily rental charge)} \times 0.15 = \$45 \text{ (REP charge)}$$

Total cost to client: \$345 + tax

DEDUCTIBLE INFORMATION:

- Deductibles are applied on a per occurrence basis.
 - Every separate accident will result in an additional deductible.
- If the equipment is valued over \$25,000 the deductible is \$2,500.
- If the equipment is valued under \$25,000 the deductible is \$1,000.
- REP does not exempt the client from payment of damages. Rather, it limits their exposure to risk.
- The deductible applies to both damages and repairs, as well as total loss of the unit. (Up to \$500,000 of coverage per rented item)
- In relation to damages and repairs, the lesser of the actual repair cost or the deductible would be charged.
 - e.g. If \$10,000 of damage occurs on a \$50,000 mini excavator, the customer's responsibility is the deductible cost of \$2,500 which is less than the charges of the actual damage.

