

# 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@jtbatesgroup.com](mailto:certificates@jtbatesgroup.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:  $\$345 + \text{tax}$

### 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.

