

# Collins Equipment Rental Limited Damage Waiver Policy

## What is a Limited Damage Waiver?

Collins Equipment Rental requires that equipment rented be fully protected against physical damage while it is out on rent. Lessees may satisfy this requirement in one of two ways:

1. Purchase a **CER Limited Damage Waiver**, where available, or
2. Provide **acceptable proof of physical damage insurance**, covering rented or leased equipment for an amount equal to or greater than the full replacement value of the rented or leased equipment. CER must be listed as an additionally insured.

The Limited Damage Waiver is not liability insurance and does not cover injury, property damage to others, or damage caused by excluded uses or conditions. It is simply an agreement between Collins Equipment Rental and the Lessee that limits the lessee's responsibility for eligible physical damage to eligible rented equipment, subject to the terms, conditions and deductible described below.

## Limited Damage Waiver Charge

The Limited Damage Waiver Charge is calculated as a percentage of the rental charge and is shown in the rental contract.

The Limited Damage Waiver Charge does not apply to sales tax, delivery, pick up, cleaning charges, fuel charges, environmental fees, or other additional fees unless specifically stated on the rental contract.

Lessees may decline the Limited Damage Waiver ONLY if they provide acceptable physical damage insurance before rental begins.

## Insurance Required to Decline Limited Damage Waiver

To decline the Limited Damage Waiver, the Lessee must provide a Certificate of Insurance (COI) showing coverage for rented, leased or borrowed equipment in an amount equal to or greater than the full replacement value of the equipment being rented. Collins Rental Equipment **MUST** be listed as additionally insured on the COI.

Collins Equipment Rental may reject a certificate if the coverage is unclear, insufficient, expired, or does not specifically cover rented equipment. If acceptable proof of insurance is not provided before rental begins, the Limited Damage Waiver will apply where available.

## Deductible & Lessee Responsibility

The Limited Damage Waiver includes a **deductible of up to \$4,500 per claim**.

This means that the lessee is responsible for **30% of the first \$15,000 of repair or replacement cost**.

Examples:

If covered damage costs \$800 to repair, the Lessee is responsible for \$240

If covered damage costs \$7,500 to repair, the Lessee is responsible for \$2,250, subject to the Limited Damage Waiver terms and exclusions.

The Deductible applies even if the damage would otherwise be covered by the Limited Damage Waiver.

### **What may the Limited Damage Waiver cover?**

Subject to the terms, exclusions, deductible, and immediate reporting requirements, the Limited Damage Waiver may limit Lessee's responsibility for unexpected direct physical damage to eligible rented equipment during the rental period.

The Limited Damage Waiver only applies to equipment listed on the rental contract and only during the rental period.

### **What does the Limited Damage Waiver NOT cover?**

The Limited Damage Waiver does **not cover all damage or loss**. The Lessee remains fully responsible for damage, loss, repair, cleaning, replacement, downtime, or other costs caused by or related to any excluded event, including but not limited to:

1. Misuse, abuse, intentional damage, or negligent operation.
2. Use that is inconsistent with the equipment manufacturer's intended use, purpose or design.
3. Failure to follow manufacturer's instructions, safety rules, or Collins Equipment Rental instructions.
4. Exceeding rated load capacity, lift capacity, towing capacity, or operating limits.
5. Overloading or using equipment beyond its rated capability.
6. Mechanical breakdowns caused by improper use, improper maintenance, or customer neglect.
7. Wear and tear, normal deterioration, or ordinary mechanical failures.
8. Missing items including but not limited to straps, chains, binders, or pins.
9. Ingestion of foreign objects, including rocks, wire, debris, metal, stumps, roots, or other materials.
10. Damage solely to glass, tires or tracks, including blowouts, punctures, cuts, track damage or thrown track.
11. Electrical arcing.
12. Damage caused by paint, concrete, tar, asphalt, plaster, mud, rosin, chemicals, biological, materials, or other contaminating materials.
13. Cleaning costs or restoration costs due to dirty, contaminated, or improperly returned equipment.
14. Pollution, hazardous materials, biological materials, or chemical exposure.
15. Use in violation with laws, ordinance, regulation, rental contract term, or safety equipment.
16. Dishonest, criminal, fraudulent, or intentional acts by the Lessee, employees, agents, subcontractors, or anyone entrusted with the equipment.
17. Loss due to mysterious disappearance, unexplained loss, or equipment not returned.
18. Theft unless properly reported and supported by a police report and all required documentation.
19. Government action, seizure, confiscation, war, military action, insurrection, or nuclear hazard.
20. Loss of use, lost rental income, downtime, or business interruption.
21. Damage caused while the equipment is being processed, modified, repaired, altered, or worked on by Lessee or a third party.

22. Use on or near water, submerged use, flooding, or equipment moved or operated in water unless specifically approved in writing prior.
23. Contact with overhead power lines, underground utilities, or high voltage sources.
24. Damage to lifts from trees, branches, or saws.
25. Any damage or loss excluded by the applicable rental contract or CER's written terms.

### **Lessee Duties After Damage, Loss, Theft, or Accident**

The Lessee must immediately notify Collins Equipment Rental of any damage, loss, theft, accident, malfunction, or unsafe condition.

The Lessee must also:

1. Stop using the equipment if continued use could cause further damage or create a safety risk. CER will determine continue use of the equipment.
2. Take reasonable steps to protect the equipment from further damage.
3. Provide a complete written description of what happened.
4. Provide photos, videos, witness information, police reports, or other documentation if requested.
5. Cooperate with Collins Equipment Rental, the insurance carrier, any adjuster or investigator.
6. File a police report for theft, vandalism, mysterious disappearance, or other suspected criminal activity.

Failure to promptly report damage or cooperate with the claim process may result in denial of Limited Damage Waiver protection, and the Lessee may be fully responsible for all costs incurred.

### **Lessee's Own Insurance**

If Lessee has insurance that may cover the damage or lost equipment, Lessee agrees to cooperate in submitting a claim under that insurance.

The Lessee agrees to provide Collins Equipment Rental with complete insurance information upon request and to assign or pay Collins Equipment Rental any insurance proceeds related to the rented equipment.

The Limited Damage Waiver does not replace Lessee's liability insurance, auto insurance, workers compensation, or any other insurance required by law or by contract.

### **Not Liability Insurance**

The Limited Damage Waiver is NOT general liability insurance.

It does NOT cover:

1. Injury to people.
2. Damage to Lessee's property.
3. Damage to third party property.
4. Auto liability.
5. Towing liability.
6. Environmental liability.

7. Workers' compensation liability.
8. Damage caused by Lessee's vehicle, trailer, employees, contractors, subcontractors or other equipment.

The Lessee remains responsible for safe use, proper orientation, site conditions, compliance with all laws and safety requirements.

### **Collins Equipment Rental's Rights**

Collins Equipment Rental has the sole right to determine whether damage is covered by the Limited Damage Waiver, whether an exclusion applies, the amount of the repairs and deductible, the repair method, whether equipment should be repaired or replaced, and whether a claim should be submitted.

Acceptance of the Limited Damage Waiver charge does not guarantee that all damage or loss is covered.

### **Continuing Application to Future Rentals**

By accepting this Limited Damage Waiver Policy, Lessee agrees that these terms apply to Lessee's current rental and all future rentals from Collins Equipment Rental (CER) for which a Limited Damage Waiver charge is included on the applicable rental contract, without requiring Lessee to sign or separately accept this policy again.

Each future rental contract shall constitute a separate rental transaction subject to this Policy. Lessee's acceptance, possession, or use of the rented equipment for which a Limited Damage Waiver charge is included constitutes Lessee's continued acceptance of and agreement to this Policy.

This continuing agreement remains in effect until it is replaced by a later Limited Damage Waiver agreement accepted by the Lessee, or until Lessee qualifies to decline the Limited Damage Waiver by providing CER with acceptable proof of insurance before the applicable rental begins.

### **Changes To This Policy**

Collins Equipment Rental (CER) reserves the right to amend, modify, or replace this Limited Damage Waiver Policy from time to time. The current version of the policy will be available at [www.collinsequipmentrental.com/](http://www.collinsequipmentrental.com/)