

**Loss Damage Waiver is a Waiver of Subrogation:**

**Inland marine, (dealer inventory and rental fleets), policies normally provide for the waiver of subrogation as long as it was in writing and is in place before the loss. There are certain inland marine policies that do require underwriter's written approval and policy endorsement prior to effecting a waiver of subrogation.**

**In most states, the elements of an effective waiver of subrogation are:**

- **A contract in writing between the insured and the third-party ( the equipment renter) wherein the insured agrees to obtain a waiver of subrogation in its insurance policy:**
- **The insurance policy by its terms or by an endorsement to the policy must expressly provide that the insurance company has approved, consented, or is aware of the waiver of subrogation and**
- **Any such waiver of subrogation endorsement and its additional premium (on average 10% of the inventory/rental premium) must be paid for by the insured (consideration).**

**Any LDW policies sold to your customers must be an extension of your dealer inventory/rental policy with the waiver of subrogation endorsement. Any other policy sold by you to your rental customer is not LDW and you must have a Dealership property insurance license and a company appointment to sell it.**