



## Special rules by Visa on car rentals

Initially, when a car is rented, a car rental may seek authorisation for the estimated rental amount on the renter's card. The authorisation is valid throughout the rental period. The estimated total amount of the authorisation request may not include costs for deductibles or possible damages. If the final amount exceeds the authorised amount, a new authorisation must be requested for the difference.

### Charges for damages and deductibles

If, when a car is returned, it has been damaged during the rental period, the car rental may charge the card holder for the amount of the damage assessment if the following requirements have been met:

- The debit transaction in relation to the damages is separate from the transaction for the car rental or rental cost.
- The card holder has approved the debit transaction in relation to self-risk in case of possible damages. Card holder must have approved the car rental's insurance terms and conditions with his/her signature on the same page as the terms and conditions are displayed.
- The car rental has notified the card holder in writing about damages and estimated cost within 10 business days from when the car was returned in addition to giving the card holder 20 business days' notice to object before his/her card is charged. It must also be specified what the card holder's share in the cost is vis-à-vis the insurance in relation to the damages and why.
- The card holder has been sent two damage assessments from two separate garages and the lower damage assessment applied.
- An authorisation has been requested for the amount of the damage assessment or the amount the card holder has approved.
- The amount charged for damages is not higher than the amount the card holder approved, or higher than the value of the car, if it is considered a write-off. A charge is made for the damages within 90 days of debiting the rental fee.

If the actual cost relating to the damages turns out to be lower than what the card holder was charged, the car rental must repay the difference to the card holder within 30 days.

### Objections to a card transaction

In the event of a reimbursement claim or enquiry as regards a charge for damages,, the car rental must send Borgun a copy of the following documents:

- A signed rental agreement in addition to the final agreement
- A damage assessment from a certified garage
- A police report, if appropriate
- Card holder's approval for charging the damages
- Transaction receipt
- The car rental's terms and conditions

## **Terms and conditions**

The car rental's terms and conditions must be shown to the card holder when he/she is booking a service prior to completing a booking/purchase online. The terms and conditions must be shown in the same window as the booking/purchase is confirmed. Terms and conditions may not be shown in a separate window or url. The terms and conditions must also be sent to the card holder by email with the booking confirmation. A car rental's terms and conditions in paper must be presented to the card holder, and the card holder must approve it with his/her signature on the same page as the terms and conditions are outlined.

If a card holder approves the car rental's collision damages waiver (CDW), the insurance must be verified specifically by the renter with his/her initials as a signature on the rental agreement does not apply to this provision.

## **Rental agreements**

A car rental is responsible for ensuring that its agreements meet the requirements of judicial authorities as in some cases that is the only option available to a car rental to collect cost in relation to damages of a rental car.

If further information is needed, please contact our service centre by phone +354 560 1600 or email us at [borgun@borgun.is](mailto:borgun@borgun.is)

The aforementioned points are based on rules from Visa and may be subject to change after this letter has been issued.

Reykjavik, 2018

Best regards,  
Borgun's employees