

When You Crash a Rental Car

I BUY THE COLLISION DAMAGE waiver when I rent a car because I don't want my insurance company to know if I'm in an accident. What if I hit another vehicle and it's my fault?

G.T., ALBANY, N.Y.

The collision damage waiver (CDW) covers damage to the rental car, but it doesn't cover liability if you injure someone or damage another car or property. The rental car company may automatically provide a small amount of liability coverage. But if it's not enough, your own auto insurance will generally cover you up to your policy's liability limits if you rent a car in the U.S. or Canada (but usually not in other countries), says Bill Wilson, an insurance educator and founder of Insurance Commentary.com, an industry blog. If you don't want your insurer to cover an accident that's your fault, you will have to buy supplemental liability coverage from the rental car company in addition to the CDW. For example, Enterprise charges \$10 to \$15.50 per day for \$1 million in coverage.

Many renters turn down the CDW, which can cost \$9 to \$25 per day, because their own policy covers damage to the rental car and many credit cards pay the deductible. But buying the CDW eliminates the hassle of filing a claim with your insurer (which could lead to a rate hike). It also covers costs your insurer or credit card company may not pay, such as loss of use and diminished value charges.

Stocks after a spouse dies. *My wife passed away, and I want to sell some stock that we held jointly. How will the gains be taxed when I sell the shares?*

D.M., NEWARK, DEL.

In most states, half of the investment's tax basis is stepped up to its value on the date that a spouse dies. For example, if you and your wife bought stock for \$20,000 and it was



If you cause an accident, your auto insurance will generally cover you up to your policy's liability limits in the U.S. or Canada.

worth \$70,000 when she died, the basis is \$45,000 (\$10,000 from your half of the original basis and \$35,000 from half of the value when she died). If you sell the shares for \$75,000, you'll be taxed on a gain of \$30,000. If you live in a community-property state, however, the entire basis will be stepped up to the value at her death (see IRS Publication 555 at www.irs.gov).

Fixing your Social Security record. *Two years of earnings are missing from my Social Security earnings statement. How can I fix the error?*

R.B., ST. PAUL

Call Social Security at 800-772-1213 and be prepared with a copy of your W-2 form, tax return or pay stub as evidence of the earnings. If you can't find those documents, the Social Security Administration may be able to help you track down the information. Provide the name of your employer, the dates you worked and the name you used then (if you were married or divorced and used a different name), and an estimate of how much you earned. You can see your earnings statement by setting up a My Social Security account at www.ssa.gov/myaccount.

Medicare and home care. *My father's health is not good, and he needs someone to come to his home to help him out a few hours each week. Does Medicare cover home care?*

A.B., LEESBURG, VA.

Medicare has very strict criteria for covering home care. For example, you can get coverage for custodial care (such as help with bathing or eating) only if you also have a need for skilled nursing care or for physical, occupational or speech therapy. You must be considered "homebound," and your doctor must create a plan of care. See www.medicareinteractive.org for more information. ■

GOT A QUESTION? ASK KIM AT ASKKIM@KIPLINGER.COM. KIMBERLY LANKFORD ANSWERS MORE QUESTIONS EACH WEEK AT KIPLINGER.COM/ASKKIM.