

Used Car Dealers with large inventory should always carry dealers open lot insurance as a part of their [used car dealer insurance program](#) . This section of the garage policy is designed to protect your inventory from losses such as wind and hail as well as collision. If you have a large inventory, especially one that fluctuates in value from time to time, then you should consider a twist to the dealers open lot coverage. The twist is a form called the dealers blanket reporting form.

With the standard dealers open lot coverage, you must choose a coverage amount that reflects your highest inventory value at any given time during the policy period. And of course, your premium is based on the amount of coverage that you choose. If you purchase too little coverage, then you run the risk of having a loss that isn't fully covered. If you choose too high, then you might be buying more insurance than you need. This is where the dealer's blanket reporting form can help.

When you use the reporting form on your policy, you must complete an inventory report once each month. Now the procedures and the rules for this form may vary a bit from company to company. For this example I will use the rules used by [Auto Owners Insurance Company](#), one of our largest markets for used car dealer insurance. To start this program the insurance company will want for you to base your original limit on the average inventory value for the previous 12 months. If you are unsure of that number, then you can start with 75% of your current inventory.

There are several strong advantages of this form over the dealers open lot fixed amount form. First of all, as long as you complete and return your monthly reports on time, and as long as they are accurate, then you will have unlimited coverage. This helps smooth out the peaks and valleys in your inventory. Second of all, this form provides true blanket coverage. So if you have more than one location it won't matter as long as your inventory report each month has the total inventory for all locations combined.

While the dealer's blanket reporting form is not for everyone since it requires a monthly inventory report to the insurance company, it can save you money and provide more seamless protection on your inventory if you have fluctuating inventory amounts or if you have multiple locations.

Your average insurance agent will know very little about garage insurance in general and insuring used car dealers in particular. It is very important that you find an independent insurance agent who specializes in used car dealers to help you. At [Clinard Insurance Group, in Winston Salem, NC](#)

, we insure over 250 used car dealers in North Carolina, South Carolina, Tennessee, Virginia and Georgia. If we can help you with your garage insurance or any other policies for your used car business, please call us, toll free at 877-687-7557 or visit us on the web at www.TheAutoDealersHelper.com