

[Used car dealers insurance](#) is a specialized coverage and few agents understand it. So how many used car dealers are getting it wrong when it comes to drives other car coverage? The answer is most all of them.

If you are a used car dealer and you operate as a corporation, partnership or LLC, you might be leaving yourself open to a huge exposure if you haven't tackled the drives other car coverage.

Drives other car coverage is simply an endorsement that you can add to your [garage liability policy](#) to extend coverage for you individually to the cars that you may drive that you don't own or that you rent. Almost every [personal auto policy](#) in almost every state provides this protection automatically. And the garage policy does as well if you have symbol 21 on that policy. For more information about the garage symbols and what they means, click here.

So what is the problem? The problem is that this protection for hired and non owned vehicles is extended to the named insured, not the driver. So, if your [dealers](#)

[insurance policy](#) is written in the name of your corporation, or your LLC or partnership, then this coverage is only extended to that entity and not to you as an individual.

Perhaps an example will help explain the real risk and pull back the veil a bit on this DOC mystery.

Let's say you are a used car dealer and your garage insurance policy is written in the name of your corporation, Joe' Used Car, Inc. Because you always drive a car with the dealer tag on it, you don't worry about purchasing a [personal auto](#)

[insurance policy](#)

. No

w, let's say one day you need to borrow your neighbor's car and while doing so you are involved in an accident that is your fault.

Assume the costs of this accident are \$100,000 and your neighbor only carries \$50,000 coverage on his personal auto insurance policy.

Now if you had your own personal auto insurance policy then that policy would step up and provide the excess coverage of \$50,000 that you need personally for this accident.

And, your garage policy will do this also, but, only in regards to protecting the named insured on that garage policy which is Joe's Used Cars, Inc, not you.

This scenario gets even worse if your neighbor had let his auto insurance lapse because he forgot to pay his bill. Now you are on the hook for the full \$100,000. And that would be a very nasty surprise for you.

So what is the solution? Well, you can purchase DOC coverage. DOC stands for Drives Other Cars.

This will name you as the individual protected by this endorsement and will extend the coverage of your garage insurance to you individually for cars that you drive that you do not own or that you rent.

Now, the odds of needing this protection are in some ways, admittedly long odds.

But the cost of the protection is pretty low and the uncovered loss could be enough to bankrupt you.

So, if you don't have a personal auto policy in your name, and your garage policy is in a business name, take a moment to check your policy to be sure that you have purchased DOC protection.

At [Clinard Insurance Group in Winston Salem, NC](#) , we specialize in helping used car dealers in NC, SC, GA, VA and TN.

We want all of

our dealers to be informed consumers.

If you need help with your used car dealers insurance, or if you just want to speak with an agent that specializes in your business, please give us a call, toll free, at 877-687-7557 or visit us on the web at

www.TheAutoDealersHelper.com

.