

In many retail businesses there is a peak season where inventory runs higher than the rest of the year. For most retail establishments, this occurs the months leading up to the Christmas holiday shopping season. And most [insurance policies for retail businesses](#) have a way to account for this fluctuation in inventory.

The dealer's garage policy does not, but there is a way that

[used car dealers can protect themselves](#)

from this hidden monster without paying an arm and a leg to do it.

The first step is to analyze your dealership to understand if you have a peak season. I have found that most used car dealerships do have a peak season and this season generally runs from February to May.

This is the time when income tax refunds are arriving in mailboxes and people go out and buy cars with the new found money.

Next, take a close look at how you plan for and deal with this higher sales season.

Do you purchase more cars and build up your inventory?

If so, when do you start?

When does your inventory get back to lower levels?

There are 3 ways to deal with this inventory fluctuation from an insurance standpoint.

The first way is to simply ignore it. This may seem like the least expensive approach at first unless you have a large loss to your lot, such as fire or hailstorm and you discover that you are underinsured without enough insurance to cover all of your damaged inventory.

The second way to handle this inventory fluctuation is to increase the limit on your [dealers open lot coverage](#) to the amount that represents your highest inventory level at any time during the year.

This is certainly better than ignoring the issue altogether, but why pay for \$100,000 of dealers open lot coverage if for most of the year you only need \$50,000?

The third way is one that I see very few dealers take advantage of, yet it is the easiest and least expensive approach. Just call your agent when your inventory increases in February or January and raise the limit on your dealer's open lot coverage. Then, when your inventory has dropped down in late May, give another call to your agent and have them drop your limits back down.

It's easy, simple and it affords you the coverage you need without over paying for insurance the rest of the year.

Why more dealers don't pay attention must only be because they don't know that this is an option available to them.

At [Clinard Insurance Group in Winston Salem, NC](#) , we specialize in helping [used car dealers all across North Carolina, Virginia, South Carolina, Tennessee and Georgia](#) with their garage insurance policies.

If we can be of help to you with advice or answers to your questions, or if you just want to find

out how to get the best policy for the least amount of cash, please call us, toll free, at 877-687-7557 or visit us on the web at

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