

Used car dealers understand that their \_\_\_\_\_ [garage policy](#) \_\_\_\_\_ is one of their big expenses in their annual budget.

But few dealers understand how simple it can be to control the costs of auto dealers insurance.

Here are two quick and easy steps you can take that will significantly reduce your garage insurance policy rates over time.

To start at the beginning, the rate that each dealer pays for garage insurance is in large part a direct result of that dealer's insurance loss history. Our [garage policies](#) have available good experience credits of up to 40% of the policy premium.

That means a dealer with excellent loss experience can pay as much as 40% less for the same coverage than a dealer with a loss or two in their garage insurance loss history.

So, if you can find a way to reduce the number and severity of losses against your policy, you not only will have an easier time maintaining insurance coverage, you will be able to access the best rates out there.

One of the biggest contributors to loss history for a dealer is the accidents that happen while a prospect is test driving one of their cars. First of all, the car is unfamiliar to them, secondly they want to test out all the features so they are fiddling with the stereo, the navigation system and other features and this increases the likelihood of an accident.

So how can you reduce these types of claims against your dealers insurance policy?

The first step each dealer should take is to make sure that their garage policy form is one that forces the test driver's personal [auto insurance](#) policy to step in and pay the claims caused by the test driver of their vehicle.

Not every garage insurance policy is created the same, but there are policies out there that state that as far as protection for your customer are concerned, your policy only pays if your customer doesn't have a policy.

There are two big advantages for you as a dealer to make sure that you have this type of policy.

First of all, if the test driver can't file claims on your policy, your claims will go down and you will have a better loss history and access to the best rates out there.

Secondly, if your policy does not have to build in enough money to pay for test driver losses, you will find that your rates will be lower in the first place.

To learn more about these types of policies,  
[read my blog here](#)

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Once you have the right kind of garage insurance in place, you need to make sure that all of your test drivers have their own [auto insurance policy](#) in force. It will be impossible to do this with 100% certainty but at the very least you should ask them if they have auto insurance in force now. Then ask them the name of the insurance company that they use just to sort of check on their honesty.

If you want to go a step further, you can ask to see a copy of their insurance id card in their glove box.

One more important question you should ask them is if they have collision coverage on their current policy.

If not, then you will probably have to file a claim against your dealers physical damage coverage on your own policy if they wreck your car.

This will be the only way to collect for the damages to your vehicle.

At Clinard Insurance Group in Winston Salem, NC, we write [insurance for hundreds of used car dealers all across NC, SC, GA, VA, and TN](#)

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If you would like for us to help you with your garage insurance, please call us

at 877-687-7557 or visit us on the web at

[www.TheAutoDealersHelper.com](http://www.TheAutoDealersHelper.com)

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