

[Used car dealers in North Carolina](#) certainly have many options regarding which insurance company they choose for their garage liability insurance.

But very few of these dealers, no matter how insurance savvy, understand the impact of using a company with their own special garage form.

This form can save the dealer thousands of dollars in premiums and claim costs as well as dozens of hours in the claims process.

But you have to have the right form to benefit.

Let's start with a scenario that is all too familiar for [used car dealers in North Carolina](#). In order to sell the car you need to let your customer test drive it.

Now we all know that dealers are busy and often the customer goes out alone in the car.

The customer starts messing with the stereo and other unfamiliar items on the dashboard and suddenly they have hit another car.

Now your product is damaged and there is damage to a third party and their car.

When you file this claim with your garage liability insurance company you will be entangled in hours of claims processing from statements to phone calls and on and on.

In addition, you will now have a claim against your record which might result in higher rates with your insurance company and higher rates from other insurance companies when you decide to shop around.

Or worse yet, you may be cancelled by your insurance company for this large claim and you will find it hard to replace this coverage.

Without garage liability insurance, you are out of business.

There is a way to avoid all this heartache, simply by choosing the right garage liability insurance company. There are insurance companies out there who write [North Carolina Garage Liability Insurance for Used Car Dealers](#) on their own policy form.

And this form excludes protection for your customer driving your car unless your driver has no [personal auto insurance](#), or your customer's auto insurance limits are below the state mandated minimums.

So now, in the above accident scenario, if your client has his or her own personal auto insurance policy, then that policy will have to pay this claim.

This protects your policy from claims, keeps your claims record clean, and keeps you out of the awful time sucking claims process.

There are three caveats to this trick. First of all, if your garage policy limits protection for your clients you still need to do two things to make it work. First of all, verify that they have an [auto insurance policy](#) with liability insurance equal to or exceeding the minimum liability limits required by law in your state and secondly, make sure that they have collision coverage on their policy on at least one of their cars.

The collision coverage will be necessary for you to be paid for the damages to your vehicle that they are test driving.

The third is that you will need to have an [agent who specializes in used car dealers](#) who will understand this policy form and who can help you intervene in the claims process and get the necessary information to the customer's insurance company so that the claim never gets filed against your garage policy.

So what must you do? Call your agent and ask them if your garage policy will pay on behalf of a customer test driving your vehicle. If they answer yes, then you may

need to find another agent, one who
[specializes in used car dealers](#)

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If you need help with this process, please feel free to call
[Clinard Insurance Group, in Winston Salem, NC](#)
, toll free at 1-877-687-7557 or visit us online at
www.TheAutoDealersHelper.com

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We can help you find a company using their own garage liability form that can give you these advantages.