

[Clinard Insurance Group, in Winston Salem, NC](#) , specializes in handling the insurance needs

of

[used car dealers](#)

in North Carolina, South Carolina, Georgia, Virginia and Tennessee.

With so many clients in this industry, I thought I should speak out about a little known provision in the dealers open lot coverage that creates a nasty surprise for many dealers after a claim has occurred.

I call it the comp deductible trap.

Any dealer that has a substantial investment in his or her inventory should carry dealers open lot insurance as part of his or her [Garage Liability Policy](#) . This will provide comprehensive and collision coverage for the inventory on the lot and

out on the road and it is the least expensive if you add it to your [garage policy](#)

Just like your personal auto insurance, the comprehensive and collision coverage

in the dealers open lot protection has deductibles.

These deductibles are the first dollar amount that the dealer must pay before the insurance company pays out for the claim.

But here is the catch..... the deductible on the comprehensive coverage is almost always a per car deductible.

And that can add up.

Let's say you have 20 cars on your lot and a hail storm hits your dealership. 10 of your cars are very badly damaged.

You know that you have comprehensive coverage on your dealers open lot so you pull out your policy and see that you have a \$1000 deductible.

Okay, you think to yourself, this is bad but I guess I can cough up \$1000 since I have 10 cars that are in awful shape.

When your claims adjuster shows up to start working on this claim for you he reminds you that the deductible is \$1000 per car with a 5 car limit.

This is the way most open lot coverages are written.

Suddenly your \$1000 deductible has turned into \$5000 and you are really singing the blues.

Your cash flow is wrecked for months.

How can you protect yourself from this trickery? Well, first of all, be sure that you read and understand your policy completely. Also, only do business with an agent that specializes in the garage policy and used car dealers.

Your business is very unique in the insurance world and you can't afford to let an agent that has handled the insurance for 5 or 10 dealers in his career protect you.

Let's face it, your business is one of your most valuable assets and it can lead to your largest liability risks.

Don't let an inexperienced agent practice on learning the [garage policy](#) and its one of a kind ins and outs at your expense.

As I mentioned earlier, [Clinard Insurance Group in Winston Salem](#) , NC, handles the garage

insurance needs for hundreds of
[used car dealers](#)
in 4 states.

And the best part is we have found a company that does not have a per car deductible on comprehensive coverage in the dealers open lot insurance.

So in the example above, if you were insured with
[Clinard Insurance Group](#)
, you would only pay \$1000 for that devastating hail storm and not \$5000.

You can see how doing business with a specialist can be extremely valuable for you and your company.

If you would like more information or help insuring your used car dealership, you can visit us online at
www.theautodealershelper.com
or call us, toll free at 877-687-7557.