

Garage Insurance is an unusual sort of policy in the insurance world. And a [garage insurance policy for a used car dealer](#)

is even less well understood by the average insurance agent out there. Unfortunately for used car dealers, any agent can give it his best shot to provide this policy for a new prospect who sells cars, but that can often lead to the dealer not really buying the policy that he or she wanted or needed. This is why so few dealers have ever heard of false pretense coverage, much less had it added to their dealers insurance.

False pretense coverage for dealers is an endorsement which can be added to the garage policy and changes the coverage in the physical damage section of the policy, often referred to as dealers open lot coverage. False pretense gives the dealer two kinds of protections, one from unscrupulous sellers and the other from unscrupulous buyers. Let's take a quick look at both kinds of risk.

False pretense protection adds loss for a covered auto that you own, caused by the fact that someone dishonestly sold you a car that they don't really own. Picture the loss you will absorb if you purchase a car with a fraudulent title. The true owner tracks the car to your lot and demands that you return it to them. Or worse, if you have already sold it then your customer comes back to you to collect the value of the car that you sold to them with a bad title and that they had to turn over to the true owner.

Running in the other direction, you could experience a loss if someone causes you to voluntarily part with a vehicle by using a trick, scheme or under false pretenses. Later you discover this trick and want to recover your vehicle or your losses and the thief is long gone.

Most false pretense endorsements will require that you obtain a warrant, as soon as practical for the arrest of anyone involved in causing you this loss.

There are a number of schemes out there that attempt to prey on used car dealers in this way. You might be savvy enough to avoid most of them but false pretense protection is usually very inexpensive to add to your dealers garage insurance policy. Take the safe way out and add false pretense to your garage insurance right away.

At Clinard Insurance Group, located in Winston Salem, NC, we understand insuring used car dealerships. We insure over 300 dealers all across North Carolina, South Carolina, Virginia, Tennessee and Georgia. We would love to help you make sure that you have the protection you need at a volume buyer's price that we can offer due to the many dealers we already insure. Take advantage of our strong market position and call us for a dealers insurance quote today. You can reach us by dialing toll free to 877-687-7557 or visit us on line at [www.TheAutoDealersHelper.com](http://www.TheAutoDealersHelper.com)