

Automotive repair shops and used car dealers both need a garage insurance policy. Included in this policy is a coverage call garagekeepers insurance. In the case of [automotive repair shop insurance](#)

or

[body repair insurance](#)

, this is protection to cover loss and damages to customers' cars left with the repair shop. In the case of the

[auto dealer insurance](#)

, this coverage is often referred to as dealers open lot coverage and provides comprehensive and collision protection for the inventory owned by the used car dealer. But how do you as an auto repair shop or body shop owner know how much garage keepers insurance to buy?

In this article I want to stay focused on the repair shop with true garagekeepers insurance and I will leave the dealers open lot question for another blog. Repair shops and body shops are all different in terms of how they deal with customers' vehicles left with them for repair. Some never need to test drive the cars and some need to do extensive driving. Others are able to keep all vehicles inside their building at night while others may even have to park client cars out on the street. Each situation presents different dangers and exposures to the repair shop owner.

Garagekeepers insurance can be broken down into two coverage elements. One is collision coverage and the other is comprehensive. The collision coverage will pay for losses caused to client vehicles that are damaged by a collision. This happens most often when the car is being test driven. The comprehensive coverage provides protection against, fire, hail, water damage and a host of other losses that can happen to your clients' cars while they are in your care. So how do you decide how much coverage to buy?

Let's take collision first. I suggest that you carefully try and understand the worst case scenario for a collision loss to one of your client's vehicles. Assume that your employee has a total loss with the most valuable car that you would ever work on. That should put you in the ball park of how much coverage you should purchase.

With comprehensive coverage on your garagekeepers coverage, you need to try and imagine the worst case scenario for this type of loss to your clients' cars. If you keep them inside at night, what would it cost to replace the cars if you had a total fire loss overnight and every customer car in your garage was totaled? If you keep them outside, what amount of damages would be caused by a severe hailstorm or a flood if that is possible in your location? Don't forget to consider vandalism in your worst case scenarios as well.

Once you have done this, you will need to take the largest of the two numbers that you arrived at and purchase that amount of [garagekeepers coverage](#) . The reason is that most insurance companies won't let you purchase one amount of coverage for collision and another for comprehensive. There are a few companies that will allow this but they are few and far in between.

At [Clinard Insurance Group, in Winston Salem, NC](#) , we specialize in helping owners of auto repair and auto body shops with their insurance needs. We work hard to help all of our clients become informed insurance consumers so that they can make the best decisions when it comes to insuring their businesses. If we can help you with your garage insurance, please call us, toll free at 877-687-7557 or visit us online at our [auto repair and body shop insurance help site](#).