

[North Carolina used car dealers insurance](#) starts with the garage insurance policy. Many new start ups find their way to an

[agent](#)

who is able to help them set up their garage policy and the begin selling cars.

And for many used car dealers, they just pay their renewal premiums each year without realizing that time is on their side.

You see, because of a law in North Carolina that requires insurance companies to offer you a policy when you ask for a quote, there is a two tiered system of policies in North Carolina.

If you haven't checked lately, you might be in the high risk rate class and not even realize that you are paying too much for your garage liability dealers insurance policy.

Since NC is a mandatory insurance state, all dealers who ask for an [auto insurance quote](#) must be offered coverage.

For this reason, most insurance companies can write a dealers policy but if they don't specialize in used car dealers insurance, they will simply place your [garage insurance policy](#) through the state reinsurance facility.

This means you will have to pay the highest possible rate and you will face limited choices on how much liability insurance you can purchase.

And last of all, this market of last resort doesn't offer you any dealers open lot coverage so you won't be able to purchase comprehensive and collision insurance on your inventory.

Even insurance companies who specialize in [used car dealers insurance in North Carolina](#)

may still place your policy in the higher rated North Carolina reinsurance facility.

Why would they do this?

Well there are several reasons and the reasons certainly change over time.

As I write this we are seeing many dealers forced to offer buy here, pay here financing in order to sell their cars.

The insurance companies don't like this as it increases the chances that the dealer will be involved in repossessing a vehicle and the claims and losses that might be associated with that activity.

So, since they have to offer insurance at some price to those that call, guess what, if you do buy here, pay here financing, you may find yourself in the NC reinsurance facility.

Another reason dealers end up in the facility pool with its higher rates is that they simply have not been in business long enough to develop a track record that helps the insurance company feel comfortable with their business practices. Some companies require as much as 3 years experience before they will move a dealer into their preferred rates policy.

I have also seen this problem apply to dealers who wholesale vehicles and never take title to or possession of the vehicles they are selling.

If you are a dealer who used to do on site financing, wholesale, or if you simply bought your current policy when you had less than 3 years in business, there is a good chance that you might now qualify for better coverage at lower rates. You might not be able to find these preferred policies from your current agent though.

The reason for this is that

[insurance for used car dealers](#)

is a specialty market and most agents just don't have access to the preferred policies for used car dealers.

At [Clinard Insurance Group in Winston Salem, NC](#) , we specialize in used car dealers and we insure over 300 dealerships across 5 different states.

If we can help you with an insurance second opinion on your garage insurance, or if you would like for us to give you a quote on your dealership insurance, please call us, toll free at 877-687-7557 or visit us on the web at www.TheAutoDealersHelper.com