

This economy has required all types of businesses to tighten their belts and make more with less. [Used car dealers in NC, SC, TN and GA](#) are no exception to this problem.

But very few of them have thought to look at their garage insurance policy as a source of funds.

Here's how you might take money out of your

[garage insurance policy](#)

Basically there are two areas of possible overpayment on your garage insurance policy that might be sources of funds for you. One I call the payroll update test and the other I refer to as the inventory study.

The payroll update test simply means that if you have cut back on your number of sales persons, then you might be sitting on a return premium audit at the end of your garage liability policy term. If this is the case, you can request a change in the number of salespeople charged on your policy and have those funds returned to you now, rather than waiting for your current [garage insurance policy](#) term to run out.

The inventory study technique refers to the possibility that as sales have slowed, you may have reduced your inventory on your lot. If you insure the comprehensive and collision coverage for your inventory under dealers open lot coverage, then you may find that you are carrying more

coverage than you really need.

Take a moment to try and figure out what your current inventory levels are and check that against your garage insurance policy to see if you are over-insured.

If so, call your agent and ask him to reduce your dealers open lot coverage to a more appropriate level.

This will generate a return premium due you.

It is important to remember that both of these techniques are useful in a downward moving economy. But, when business picks up, and you hire more salespeople and begin to increase your inventory, it is important that you call your agent and have him update your policy to reflect the increased exposure. If you fail to do this, you may find yourself without enough dealers open lot coverage, or you may be facing an additional premium audit which could lead to a cash flow problem I call, the audit trap.

At Clinard Insurance Group in Winston Salem, NC, we specialize in helping [used car dealers all of North Carolina, South Carolina, Georgia, and Tennessee](#) with their insurance needs for their used car dealerships.

If we can help you answer questions about your dealers insurance, please feel free to call us, toll free at 877-687-7557 or visit us online at <http://www.theautodealershelper.com>

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