Dealership Insurance Readiness

A Strategic Review for Ownership

Most dealership insurance programs are renewed as a cost line item. The programs that actually protect enterprise value are built around how the business operates, where capital is concentrated, and what underwriters will still support in a tighter market. Use the questions below as a diagnostic. If the answers are unclear or outdated, the program is more likely to be priced on assumptions than on how the dealership actually runs.

Capital at Risk

- ☐ Is the method used to value open-lot inventory current, defensible, and aligned with peak exposure rather than averages?
- ☐ Do physical damage limits, deductibles, and sublimits reflect the real concentration of value on the lot and the locations where it sits?
- ☐ Have you quantified the potential impact of a single large loss (theft, hail, or fire) on working capital and floorplan capacity?

Operational Continuity

- ☐ Does coverage for customer vehicles in the shop, demos, and loaners match actual service and sales processes, or does it rely on assumptions that no longer hold?
- ☐ If a key system (DMS or related platforms) is unavailable or compromised, how quickly can sales, service, and F&I continue, and is that scenario addressed?
- ☐ Are contingent rental or lease exposures matched to the contracts the dealership actually signs?

Liability That Follows the Unit

- ☐ Has products and completed operations exposure been reviewed against the types of units sold and the service work performed, including higher-value equipment or trailers?
- ☐ Do dealer-plate and demo practices have clear boundaries that the current policy will support if a claim arises?

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People and Process Risk

- ☐ Have workers' compensation and employment practices exposures been evaluated against current turnover, hiring practices, and the physical nature of service and sales operations?
- ☐ Are loss-control and documentation practices strong enough that an underwriter would view them as a differentiator rather than a standard file?

Market and Structural Positioning

- ☐ Has the program been stress-tested against current carrier appetite, or is it being renewed primarily on relationship and history?
- ☐ If volume or loss experience supports it, have alternative structures (higher retentions, captives, or other risk-transfer options) been modeled for their effect on long-term cost and control?
- ☐ Can ownership clearly articulate the dealership's controls, inventory practices, and loss history in a way that improves negotiating position?

Renewal Process

- ☐ Is there a scheduled pre-renewal meeting where rates, expectations, and target outcomes are established before marketing begins?
- ☐ Has the current state of the market—carrier appetite, capacity trends, and pricing pressure—been reviewed against your specific profile?
- ☐ Do you know which insurance carriers actively write dealership business like yours, and how your account is positioned with them?
- ☐ Are renewal timelines, information requirements, and decision points clear enough that ownership can influence terms rather than react to them?

In a constrained market, the dealerships that maintain favorable terms are usually those that can demonstrate operational discipline before the renewal conversation begins. Gaps that surface late are priced as uncertainty. A structured pre-renewal review typically identifies the highest-impact items before they affect terms or capacity.