

Pull out your current policy and check the box next to any coverage you can confirm is already in place — anything unchecked is worth a quick conversation with your advisor. Coverage checklist for new and used car dealerships. Priorities reflect typical exposure; confirm against lots, service operations, and financing.

COREPREVALENTSITUATIONAL

— Core: almost always needed · Prevalent: commonly carried by businesses in this class · Situational: depends on specific exposure

COVERAGE	WHY THIS BUSINESS NEEDS IT	PRIORITY
☐ Garage Liability (incl. Auto Liability)	Covers injuries and damage from dealership operations and dealer-owned vehicles, including test drives.	CORE
☐ Dealer's Physical Damage (Open Lot)	Covers inventory against hail, flood, theft, and collision — check per-unit and lot limits.	CORE
☐ Garagekeepers	Covers customers' vehicles in service or storage.	CORE
☐ Cyber Liability	Covers breaches, ransomware, and DMS outages — including business interruption from a vendor attack.	CORE
☐ Dealer E&O (Truth in Lending, Odometer, Title)	Covers F&I and disclosure errors.	PREVALENT
☐ Employment Practices Liability	Covers claims from sales and service staff.	PREVALENT
☐ Crime / Employee Dishonesty	Covers theft of funds, parts, or vehicles by employees.	PREVALENT

COMMON COVERAGE GAP FOR THIS CLASS

The most commonly missed gap for this class is cyber coverage for a vendor outage. The 2024 CDK Global ransomware attack shut down dealer management systems at about 15,000 dealerships for nearly two weeks, and many cyber policies cover only the insured's own systems, not a vendor's. Dealers are also financial institutions under the FTC Safeguards Rule, with a 30-day breach-notification deadline. Confirm dependent business interruption coverage and a written plan to operate without the DMS.

IMPORTANT — PLEASE READ

This checklist is a free educational tool from Cory Washington & Co. to help you review your own coverage and have a more informed conversation with a licensed insurance professional. It is general information only — not insurance, legal, or financial advice, and not a recommendation to buy, change, or cancel any policy. The Core / Prevalent / Situational labels describe general patterns observed for this class of business — what is commonly carried, not a personalized recommendation or needs analysis for your specific operations. Coverage terms, availability, limits, and requirements vary by policy, carrier, and state, and only the language in your actual policy governs what is and isn't covered. Checking or leaving blank any item above does not indicate that you are adequately insured or under-insured. Using this checklist does not create a client, agency, or fiduciary relationship. Always consult a licensed professional about your specific situation.