CORY WASHINGTON & CO.

SMARTER RISK. STRONGER BUSINESS.

CWCO-SUP-PAWN-CHK Rev. 09-2026

PAWN STORE — COVERAGE CHECKLIST

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 pawnshops. Priorities reflect typical exposure for this class; confirm against inventory mix and lending volume.

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

	COVERAGE	WHY THIS BUSINESS NEEDS IT	PRIORITY
☐	**Pledged Goods / Bailee Coverage**	Covers customers' pawned items lost or damaged in your custody — most states make the pawnbroker responsible.	CORE
☐	**Inventory / Jewelers Block**	Covers owned inventory, including jewelry and gold, against theft and robbery.	CORE
☐	**Commercial General Liability (incl. Products)**	Covers customer injuries and products sold, including firearms where not excluded.	CORE
☐	**Crime / Employee Dishonesty**	Covers employee theft of merchandise or cash.	CORE
☐	**Firearms / Negligent Entrustment Liability**	Needed if the store sells firearms — see the firearms dealer checklist.	SITUATIONAL
☐	**Professional / Lending E&O**	Covers claims over loan terms, disclosures, and regulatory errors.	SITUATIONAL
☐	**Workers' Compensation**	Required in most states; covers staff injured in robberies.	SITUATIONAL
☐	**Cyber Liability**	Covers customer ID and transaction data, and online sales.	SITUATIONAL

COMMON COVERAGE GAP FOR THIS CLASS

The most commonly missed gap for this class is coverage for pledged goods. Customers' pawned items belong to them until forfeited, and most states make the pawnbroker responsible if they are lost, stolen, or damaged — yet many inventory policies cover only owned stock. Lending compliance is the other exposure: in 2025 the CFPB reached a $9 million settlement with the largest U.S. pawn operator over loans to servicemembers that broke the Military Lending Act. Checking every borrower against the military database and keeping disclosures current is the best protection.