

LET'S TALK STOLEN CARS

One of the more common insurance claims reported from auto dealers is related to the loss of a vehicle, by theft or otherwise. Otherwise?? If someone takes your car isn't that always called theft? Not exactly.

If you look closely at your insurance policy, you'll discover a section called 'exclusions'. This section defines things that are not covered under your policy. Here we discover that there is no theft coverage in certain cases, specifically if you, or an employee, give keys to a customer and let them take it for a drive. If they decide not to return, it is technically not theft (you gave them permission) and no coverage applies. To be clear, this exclusion is part of, and applies to all dealer policies unless you and your agent take certain actions to address it. Read on...

If allowing your customers to take unaccompanied test drives is a part of your business model that you can't live without, you have the option to purchase additional coverage for this purpose. It's called False Pretense or Trick & Device insurance. Upon request (and some additional premium) your insurance carrier can usually endorse False Pretense to your existing dealer inventory insurance.

Given today's uncertain times, dealers are looking for ways to better protect against financial losses.

I suggest having a conversation with your agent as to availability of False Pretense coverage and discuss specific scenarios where it may apply.

As a bonus, False Pretense doesn't just extend coverage to test drives gone wrong. It is also designed to cover some other forms of fraud used to trick you into releasing possession of a vehicle. See your agent regarding specifics available for your policy.

The old saying that an ounce of prevention is better than a pound of cure rings true where auto theft is concerned. Consider the following tips to help prevent auto loss:

- Only allow one key on the keyring. Thieves know dealers will keep all the keys to a used car on the same ring. They stop by and ask to start the engine or test drive the car and slight of hand one of the extra keys. After closing they return, keys in hand.
- Use blockers at night. Parking cars sideways near entrances helps make it difficult for thieves to move vehicles off the lot. If it looks too difficult, they usually move on to the next lot.
- Copy drivers licenses and make sure the photo matches the person you are speaking with before allowing any test drives.
- Add lighting and consider using the club or other such anti-theft device to make it difficult for thieves.
- Make sure all keys are locked up and hidden out of the view of thieves. Leaving keys on a keyboard behind the desk, though convenient, is not the safest place.

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