

# DEALERS INVENTORY PROTECTION PROGRAM

## APPLICATION FOR DEALERS PHYSICAL DAMAGE INSURANCE

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### DEALERSHIP INFORMATION:

Dealership Corporate Name: \_\_\_\_\_  
DBA: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
Phone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_  
Dealership Insurance Contact: \_\_\_\_\_

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**LOCATIONS TO BE COVERED:** List all locations where covered inventory is maintained or stored. A separate Security Checklist must be completed for each location. All lots or parcels which share a common boundary are considered a single location.

|    | <u>Street</u> | <u>City</u> | <u>State</u> | <u>Zip</u> |
|----|---------------|-------------|--------------|------------|
| 1. | _____         | _____       | _____        | _____      |
| 2. | _____         | _____       | _____        | _____      |
| 3. | _____         | _____       | _____        | _____      |
| 4. | _____         | _____       | _____        | _____      |
| 5. | _____         | _____       | _____        | _____      |

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**SECURED INTERESTS:** List all parties to be included as loss payees, showing the nature of each party's interest – i.e., floorplanner, lienholder, lessor, consignor, etc.

|    | <u>NAME/ADDRESS</u> | <u>INTEREST</u> |
|----|---------------------|-----------------|
| 1. | _____               | _____           |
| 2. | _____               | _____           |
| 3. | _____               | _____           |
| 4. | _____               | _____           |
| 5. | _____               | _____           |

If requested, the above interests will be provided with loss payee notification, in which case the Applicant agrees that any claim payments made to them is the same as payment to itself. The Applicant further agrees to authorize these interests to release to insurers any financial data that may be requested in connection with the insurance for which application is made hereunder.

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### COVERAGE REQUIREMENTS:

Coverage Effective Date: \_\_\_\_\_ 12:01 a.m.. (Coverage is not in force unless written confirmation is provided by Stewart Smith Specialty Risks, Inc.)

Deductible Requested:     \$ \_\_\_\_\_ Per Vehicle, not to exceed  
  \$ \_\_\_\_\_ Per Occurrence

**COVERAGE REQUIREMENTS:**

CHECK [✓] COVERAGE DESIRED

| VEHICLE TYPE | SECURED INTEREST<br>(Nos. from above schedule) | COMPREHENSIVE<br>& COLLISION | COLLISION<br>ONLY | TRUCK<br>& DEVICE | AVERAGE VALUES AT RISK |
|--------------|--|------------------------------|-------------------|-------------------|------------------------|
| New:         | _____  | [ ]                          | [ ]               | [ ]               | \$ _____               |
| New:         | _____  | [ ]                          | [ ]               | [ ]               | \$ _____               |
| New:         | _____  | [ ]                          | [ ]               | [ ]               | \$ _____               |
| Used:        | _____  | [ ]                          | [ ]               | [ ]               | \$ _____               |
| Used:        | _____  | [ ]                          | [ ]               | [ ]               | \$ _____               |
| Demos:       | _____  | [ ]                          | [ ]               | [ ]               | \$ _____               |
| Demos:       | _____  | [ ]                          | [ ]               | [ ]               | \$ _____               |
| Other Road:  | _____  | [ ]                          | [ ]               | [ ]               | \$ _____               |
| **Non-Owned: | _____  | [ ]                          | [ ]               | [ ]               | \$ _____               |

**\*\* Include only vehicles which Applicant is contractually required to insure.**

**GENERAL:**

MANUFACTURER

% OF INVENTORY

| Franchise(s) Held: | <u>MANUFACTURER</u> | <u>% OF INVENTORY</u> |
|--------------------|---------------------|-----------------------|
| _____              | _____               | _____                 |
| _____              | _____               | _____                 |
| _____              | _____               | _____                 |
| _____              | _____               | _____                 |

Current Ownership dates from: \_\_\_\_\_

Name of current insurance company: \_\_\_\_\_

Name of current insurance agency/broker: \_\_\_\_\_

Has any company cancelled or declined to renew any insurance policy during the last ten years? \_\_\_\_\_

(If so, please give complete details:) \_\_\_\_\_

No. of body shop personnel: \_\_\_\_\_ Hourly labor rate charged for insurance repairs: \_\_\_\_\_

**LOSS EXPERIENCE:**

**Weather related losses during the last ten years (i.e., windstorm, hail or flood)**

| Date  | Type  | No. Units | Amount of Loss |
|-------|-------|-----------|----------------|
| _____ | _____ | _____     | _____          |
| _____ | _____ | _____     | _____          |
| _____ | _____ | _____     | _____          |
| _____ | _____ | _____     | _____          |

**All losses during the last three years: (ATTACH INSURANCE COMPANY LOSS RUNS)**



**MANAGEMENT PROCEDURAL REQUIREMENTS:** [✓] **Check where applicable**

- [ ] Sales staff accompanies prospects on test drives
  - [ ] Salespersons are instructed not to exit any test vehicle without the key
  - [ ] Customer driver's licenses are checked for validity and copied prior to release of keys and/or vehicles ( **a policy requirement**)
  - [ ] Written insurance verification is secured from customers before vehicles are spot delivered (**also a policy requirement**)
  - [ ] Vehicles are sold through brokers
  - [ ] Specialty vehicles are held in inventory. Please describe any antique or collector cars, or any valued in excess of \$75,000, and explain what additional precautions, if any, are taken to safeguard same \_\_\_\_\_
  - [ ] Parts or accessories are not cannibalized from inventory units
  - [ ] Factory deliveries are made only during business hours
  - [ ] Vehicles are inspected carefully at delivery and discrepancies noted on the receipt
  - [ ] Off site storage and sales are not normal. Exceptions are: \_\_\_\_\_
- 
- [ ] A formalized loss prevention/safety program has been instituted. If checked, please attach copies of procedure manuals circulated to employees.

**INVENTORY CONTROL:**

|                    | Frequency of Audit | Performed by Whom | Date of Last Audit |
|--------------------|--------------------|-------------------|--------------------|
| New Car Inventory  | _____              | _____             | _____              |
| Used Car Inventory | _____              | _____             | _____              |

- [ ] All units were located during last audit

**DEMONSTRATORS:**

|                                |                     | <u>No. of Vehicles</u> |             |
|--------------------------------|---------------------|------------------------|-------------|
|                                |                     | <u>New</u>             | <u>Used</u> |
| Demonstrators are provided to: | Owners and Managers | _____                  | _____       |
|                                | Employees           | _____                  | _____       |
|                                | Family Members      | _____                  | _____       |
|                                | Other Non-Employees | _____                  | _____       |

- [ ] MVR's are checked on all persons with demo privileges.
- Checked by whom: [ ] dealership [ ] liability carrier [ ] insurance agent
- How often: \_\_\_\_\_

- [ ] Users are responsible for demo damage ( check all that apply):
  - [ ] first \$\_\_\_\_\_ of loss
  - [ ] collision damage only
  - [ ] only if user is at fault
  - [ ] all vehicle loss/damage

**ATTEST:**

All statements made herein and on the Dealer Operations Checklist are warranted to be true to the best Of my knowledge and belief; I understand that material misrepresentation may void this coverage.

Date \_\_\_\_\_ Signed \_\_\_\_\_ Title \_\_\_\_\_  
(must be officer of dealership)

**Producer (if Applicable)** \_\_\_\_\_

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**MAIL OR FAX COMPLETED APPLICATION TO:**

**DealerGuard<sup>SM</sup>**

26899 Northwestern Hwy., Suite 207  
Southfield, MI 48033

Customer Service: 800-999-4906

Claim Service: 800-955-0645

Fax: 248-354-5508

[www.dealerguard.com](http://www.dealerguard.com)