

*GKL – WHAT IS IT?  
Part One*

A couple of days ago, a new dealer came into our office in search of a bond and insurance for his business. Once he had his bond in hand, he sat down to talk with an underwriter, and I overheard a conversation that went something like this.

“Hey, Ray. I need some garagekeepers.”

“Garagekeepers? What’s going to be your business? Are you selling cars? Repairing cars? Or both?”

“Oh, just selling them in the beginning. Probably won’t have more than ten or so on my lot at any one time.”

“Okay. So, will you ever have in your care, custody and control autos owned by your customers?”

“Only if I’m trying out something to buy.”

“Then it’s not garagekeepers that you need. Garagekeepers coverage is an endorsement to provide physical damage protection for your customers’ vehicles while in your care, custody and control.”

“Are you sure?”

Ray laughed and I moved on down the hall, but that conversation has stayed on my mind. Garagekeepers, GKL, is a confusing coverage and not only to the new dealers. It is a liability endorsement providing physical damage protection for non-owned vehicles. To add to the confusion, it comes in three varieties, legal, direct excess and direct primary. We’ll talk about the differences next month, but first, let’s discuss who needs to purchase the protection.

Repair shops, service stations that provide inspections, oil changes, etc and non-self-service car washes are among those first in line, but not the only ones there. Independent auto dealers who do minor repairs for vehicles they have sold should also purchase GKL. If you have a storage lot, you need GKL to protect the cars left in your care. Running an auction? GKL is a necessity. Public parking places should have the GKL endorsement attached to their garage policy. In short, if your business involves non-owned vehicles left in your care, custody and control or *towed by your wrecker*, the physical damage liability protection needed is available via a GKL endorsement.

Our HIADA *Insurance Corner* has limited space, so we’re going to break here for this month. Tune in next month for Part Two and a complete discussion of the three GKL options.

In the meantime, do not hesitate to contact me. I’m eager to receive your feedback, questions and comments. If you have specific subjects or insurance concerns you want highlighted or discussed here, please let me know. [annmullen@mulleninsurance.com](mailto:annmullen@mulleninsurance.com) or [www.mulleninsurance.com](http://www.mulleninsurance.com). We can make this column work for you.

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