

## **A Look at Inland Marine Dealers Policies**

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What do an art gallery director, a sports memorabilia shop owner, a jeweler, a camera shop proprietor, a furrier, and a coin dealer all have in common? Their businesses fit the definition of the type of property class eligible for an inland marine dealers policy, which typically covers inventory and other valuable business personal property of various types of retailers and some wholesalers.

The Nationwide Marine Definition, last revised in 1976 by the National Association of Insurance Commissioners (NAIC) and adopted by many states, permits an inland marine dealers policy to be written for dealers of property that, when sold to the ultimate purchaser, may be covered, by the owner, under an inland marine policy.

A dealers policy typically covers the insured's stock in trade (inventory) and similar property of others, whether on or away from the insured's premises. The form can usually be extended to cover furniture, fixtures, office supplies, tools, patterns, machinery, models, and tenants' improvements and betterments.

Dealers policies, particularly those written for jewelers and furriers, are also called block policies, so named because they cover a unique "block" of exposures. Inland marine forms filed with the various states by insurance advisory organizations are available for jewelers, camera dealers, musical instrument dealers, and dealers in mobile agricultural and construction equipment. Inland marine dealer policies on other types of eligible dealers, such as art galleries and bicycle dealers, can be written on a nonfiled basis in most states.

Dealers forms usually cover on an open perils basis, subject to exclusions that typically eliminate coverage for employee dishonesty, inventory shortage, unauthorized instructions, unexplained disappearance, damage occurring because of processing or work, and theft of property from an unlocked vehicle.

Because they cover significant theft exposures, dealers forms often contain a protective safeguards condition requiring protective devices such as a central-station fire and burglar alarm system. In many cases, inland marine underwriters will delete the flood and earthquake exclusions for an additional premium.

Although in practice many dealers are insured under businessowners policies, depending on the type of business they own, an inland marine dealers policy can provide essential coverage for unique needs.

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