

### Protecting your bottom line during tough trading

New car registrations were down 18.6% in September to 63,225 compared with the same month in 2007\*, which are the worst sales figures reported in the last 40 years. Declining consumer confidence is hitting sales throughout Europe. Although the used car market sales are healthy by comparison, dealers have been struggling with eroded margins in what is turning out to be a buyers' market.

It's now time for motor traders to tighten their belts through the New Year and look at cost-cutting exercises rather than just more sales. One area that can be easily reduced is the overall cost of your Motor Trade Policy. Martin Bellamy, Managing Director of garagecover, a dedicated motor trade insurance broker, states, "Many businesses that we see are focussed solely on the lowest premium at the quote stage. They do not take into account the added costs during the insurance and the hidden extras. For a sizeable car sales business, this could be a considerable amount.

Most people that operate within the motor trade will need to make a claim at some point during the year, and this is where they find out the total cost of their policy. Martin goes on to say, "We are around 20-40% cheaper than our rivals but we also make sure that a lot of our competitors' 'extras' come as standard on our policies. Things to look out for in the car sales environment are conversions, defective workmanship, adequate sums insured, vehicle value limits, unaccompanied demonstration and theft of vehicles in the open."

For more information on the often hidden pitfalls of Motor Trade Policies visit garagecover FAQ section [www.garagecover.co.uk/motor\\_trade\\_faq](http://www.garagecover.co.uk/motor_trade_faq)

\*Figures from The Society of Motor Manufacturers and Traders.