



Auto Dealer Claim of the Month – August 2023

[Federated Insurance's](#) Claim of the Month – E&O Coverage on the Sale of a Vehicle

An insured auto dealership sold a used vehicle to a customer. They completed the title paperwork and sent it in for processing to the state. Four months later, the owner of the vehicle had an accident resulting in a total loss, and it was discovered that the auto dealership had failed to list the lienholder on the title. The lienholder made a claim on the insured for failing to protect their interests on the title. Title errors and omissions (E&O) coverage was triggered and the claim was resolved between the bank and the customer.

CLAIM AMOUNT: \$27,000

Risk management advice: Ensure employees are properly trained on how to complete title work, double check lienholders on the title, and obtain lien release cards if needed.

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