

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Bulletin 2023-06-INS

In the matter of:

**Surety Bond Requirements for
Michigan Vehicle Dealers**

**Issued and entered
this 14th day of March 2023
by Anita G. Fox
Director**

This bulletin provides notice to insurance companies that offer surety bonds to Michigan vehicle dealers licensed under MCL 257.248 of an increase in the surety bond requirements. Beginning January 23, 2023, Class A, B, and D vehicle dealers must maintain a surety bond in the amount of \$25,000, which is an increase from the amount of \$10,000 that was previously required under MCL 257.248(2). See Public Act 224 of 2022.

Existing licensed vehicle dealers are required to increase their bond amount upon renewal of the bond during the 2023 calendar year. If a vehicle dealer fails to update their bond to \$25,000 before their first renewal after January 23, 2023, the Michigan Department of State (MDOS) will not renew the dealer's license. Existing licensed vehicle dealers may present a rider indicating a bond in the amount of \$25,000. If a vehicle dealer's existing bond is cancelled or rescinded after January 23, 2023, the dealer's license will be suspended, and the dealer will be required to submit a new bond in the amount of \$25,000 in order to have their license reinstated. New licensees should present a new bond in the amount of \$25,000.

Questions regarding licensing requirements should be directed to the MDOS, Business Licensing Section, at Licensing@Michigan.gov.

Any questions regarding this Bulletin should be directed to:

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/s/

Anita G. Fox
Director