

## **Driver Education Surety Bonds**

**Note: Educational Institutions and Governmental Agencies are not required to provide Surety Bonds.**

1. Every applicant for driver education provider certification must file with such application a properly executed surety bond in the appropriate amount.
2. The Secretary of State has prescribed a standard form of bond which is set forth on the **reverse side hereof**. This bond must be executed by the principal and surety and filed with the Department of State at the time of filing application for a driver education provider certificate. An application for a driver education provider certificate will not be acted upon until the application, bond, student contract forms, and all other required documents are filed and the appropriate fees are paid to the Department of State.
3. Each applicant, whether an individual, corporation, or partnership, must be named in the bond as principal. In the case of an individual owner, the individual's name, as well as the name under which he/she is doing business, must be listed. In the case of **partnerships**, each individual partner, as well as the name of the partnership itself, must be listed. In the case of a **corporation**, the corporation and at least one of its officers must be listed on the bond. The location of the business must also be listed. If a licensee is doing business at more than one location within the State of Michigan, all such locations must be listed.
4. This is a continuous surety bond, the effective date of which may be the date of execution or a later date; however, the bond must be effective at the date of filing of an application for a driver education provider certificate even though the certification may not be issued until a subsequent date.
5. A surety company authorized to do business in Michigan must execute the bond. An agent of the company licensed to do business in Michigan must execute every bond. If the agent is a licensed non-resident agent, a licensed resident agent must also countersign the bond.
6. Said surety may cancel the bond upon giving 30 days written notice to the Department of State.
7. The company shall authorize the attorney-in-fact who signs for the surety company. A certified copy of the appointment as attorney-in-fact must be attached to the surety bond, or a continuing copy of the appointment as attorney-in-fact shall be on file with the Department of State.
8. The affidavit of the power of attorney must be executed on the same date as the bond, or subsequent to the date of the bond, but not before.
9. A driver education provider is only authorized to conduct business if a proper surety bond is in effect. Surety companies must notify the Department of State of the payment of any claims under this bond.
10. Adult or teen driver education providers with 999 or fewer students in a calendar year shall provide a bond in the principal sum of \$20,000. Adult or teen driver education providers with 1,000 or more students in a calendar year shall provide a bond in the principle sum of \$40,000.