

# FAQ

1. When must I obtain a bond?

**Answer:** The law goes into effect July 1, 2009, however the date for which evidence of bond must be shown for July renewals has been extended by the Secretary of State's Office (Dealer Services Division) to August 31, 2009.

2. Which licenses require a bond?

**Answer:** Automobile Auctioneer, Converter Manufacturer, Dealer, Distributor, Distributor Branch, Distributor Representative, Factory Branch, Factory Representative Dealer, Manufacturer, Transfer Dealer, Wholesale Dealer, Automotive Mobility Dealer

3. What or how do I show evidence of a bond?

**Answer:** This has not yet been determined. However, if the bond is written by Vernon General Insurance Company through their exclusive bond administrator, they will furnish such evidence for you to the Secretary of State's office.

4. From what companies can I purchase the required Bond?

**Answer:** At this time it is unknown as to what companies will be offering a dealer bond other than Vernon General. It is anticipated that a relative few companies will be in this specialized market.

5. Why should I buy the bond from Vernon General Insurance Company?

**Answer:** Vernon General is a 158 year old Indiana Special Charter Company that is teamed with United Surety Agents, Inc. a highly professional and nationally known bond agency and administrator. Its bonds are tailored for specific markets such as this bond which is tailored for the independent dealer.

6. What is the cost of the Bond and how much is the bond for?

**Answer:** The bond is for \$25,000 as required by the regulation (in the aggregate for all claims). The annual premium is **\$220**; however it is discounted for single payments covering multiple years as shown .  
**2-year premium is \$429**  
**3-year premium is \$628**

7. Does the bond cover all my dealerships?

**Answer:** No. A bond is required for each license.

8. Just what does the bond cover?

**Answer:** The bond covers judgments that a court may issue against a dealer for violations of Sections IC9-23-2-2 (a) (4) (e) & (f). In essence it does not replace the responsibility of the dealer to satisfy the judgment but if the dealer does not satisfy the judgment, the bond will pay the State for the amount of the judgment (up to the limits of the bond). Then it will be the responsibility of the dealer to reimburse the Bond Company for the amount of the payment plus costs.

9. What if I elect to cancel my Vernon bond in favor of buying a bond from another company?

**Answer:** There is no refund of premium in the event of cancellation. However, you would have to immediately show to the State, evidence of the new bond in order to prevent remedial action by the Secretary of State for failure to maintain the required bond.

10. How do I go about applying for a bond?

**Answer:** Apply online directly to [www.unitedsuretyagents.com](http://www.unitedsuretyagents.com), or call (317) 254 8721 or Fax (317) 254 1234

11. To whom should the payment be made?

**Answer:** The payment should be made payable to United Surety Agents, Inc (the administrator) and sent to them at 5153 N. Shadeland Avenue, Indianapolis, IN 46226.

12. For what term is the bond?

**Answer:** The bond is issued for an annual term and renewable at the end of each year or it can be purchased for a two or three year term (see # 6 above)

13. Under what circumstances could the bond be cancelled or not renewed?

**Answer:** The most common reason for cancellation or non-renewal would be failure to pay the renewal premium, failure to indemnify the Surety Company after they pay a claim in your behalf or upon termination or suspension of your dealer license.