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OBSOLETE

June 2, 2003

Administrative Letter 2003-7

TO: All Automobile Clubs Licensed to do Business in the Commonwealth of Virginia Pursuant to § 13.1-400.1 et seq. of the Code of Virginia

RE: Guaranteed Arrest Bond Certificates § 38.2-2407 of the Code of Virginia

It has recently come to the attention of the State Corporation Commission Bureau of Insurance that several automobile clubs licensed pursuant to § 13.1-400.1 et seq. of the Code of Virginia may be issuing guaranteed arrest bond certificates that do not meet the criteria specified in § 38.2-2407 of the Code of Virginia. Section 38.2-2407 requires that a guaranteed arrest bond certificate issued by an automobile club must be backed by a **fidelity and surety insurer licensed in Virginia**. Section 38.2-2407 further requires that a guaranteed arrest bond certificate must include **a printed statement that the automobile club and the fidelity and surety insurer guarantee the appearance of the person whose signature appears on the card or certificate and that they will pay any fine or forfeiture imposed on that person in the event that person fails to appear in court at the time of trial.**

Effective immediately, all licensed automobile clubs that issue or may issue guaranteed arrest bond certificates must comply with § 38.2-2407. Licensed automobile clubs currently issuing guaranteed arrest bond certificates have until December 1, 2003, to provide a certification signed by an officer of the automobile club stating that the automobile club is in compliance with the provisions of § 38.2-2407.

Please address the certification and any questions regarding this administrative letter to:

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Cordially,

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