



Colorado Automobile Dealers Association

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Route to: Dealer principal, general manager, controller, HR manager, general sales manager, new and used car manager and F&I manager.

Salesperson and Dealership Bonds Increased:

The Colorado General Assembly recently passed Senate Bill 211, and Governor Bill Ritter has signed the legislation into law which initiates the first increase in salesperson and dealer bond amounts in more than 20 years.

Beginning **July 1, 2007**, the coverage amount of new bonds* will increase as follows:

Salesperson bonds from \$5,000 to \$15,000.
Dealer bonds from \$30,000 to \$50,000.

***IMPORTANT NOTE:** There is no requirement to increase **existing bonds** until the time of their *next renewal* after the July 1st effective date.

The new bond amounts represent compromise between various industry segments and were supported by Colorado's new car franchise dealers through CADA. It was determined by the CADA Legislative Policy Committee members that the best way to protect consumers from under-capitalized dealers is to increase the bond amount required to obtain and keep a dealer license.

CADA Bond Service / New Pricing:

CADA negotiated competitive prices for the new dealer and salesperson bonds that dealers can purchase through the Association. Pioneer General Insurance Company, the bond carrier endorsed and utilized by CADA, is most affordable at \$450 for dealer bonds and \$90 for salesperson bonds.

CADA will continue to provide dealer and salesperson bonds with same-day, mail-out or pick-up service through the Association office at 290 East Speer Blvd. in Denver.

If you have any questions or seek additional information, please contact **CADA Bond Coordinator, *Linda Toteve***, at 303.831.1722 or e-mail linda.toteve@cadaonline.org.