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**Motor Vehicle Dealer Board**  
**Guidance Memorandum to All Virginia Motor Vehicle Dealers**  
**Dealer Tag Liability Insurance Requirement**  
**Effective February 1, 2020**

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Dealers are required to provide proof of insurance on each dealer plate assigned to their dealership. The Field Representatives will continue to request proof of insurance coverage during their field inspections as required in §46.2-1529. The dealer could be in violation of §46.2-1547 if it is determined through the insurance policy that all plates issued to the dealer are not covered.

§46.2-1547 States in part “ It shall be unlawful to use or permit the use of any dealer's license plates for which there is no automobile liability insurance coverage or a certificate of self-insurance as defined in § 46.2-368 on any motor vehicle. No dealer's license plates shall be issued unless the dealer certifies to the Department that there is automobile liability insurance coverage or a certificate of self-insurance with respect to each dealer's license plate to be issued. Such automobile liability insurance or a certificate of self-insurance shall be maintained as to each dealer's license plate for so long as the registration for the dealer's license plate remains valid without regard to whether the plate is actually being used on a vehicle. If insurance or a certificate of self-insurance is not so maintained, the dealer's license plate shall be surrendered to the Department. The Commissioner shall revoke any dealer's license plate as to which there is no insurance or a certificate of self-insurance.

The requirements relating to insurance in this article shall not apply to trailers or watercraft trailers.”

The Board defines proof of dealer plate insurance as the Certificate of Liability Insurance or Insurance Binder issued by the dealer's insurance company. The dealer will submit a copy of the Certificate of Liability Insurance or Insurance Binder as proof during Field Inspections, and when requesting additional dealer plates. The requirement to submit the Certificate of Liability Insurance or Insurance Binder will be included on the dealer plate application, the renewal letter, and the original cover letter for new dealer packages.

Approved: William Childress

William R. Childress, Executive Director

Statutory Authority

§46.2-1529

§46.2-1547

§46.2-1575.1

§46.2-1575.2

§46.2-1575.18

January 28, 2019 Board Meeting

May 13, 2019 Board Meeting

September 9, 2019 Board Meeting

January 13, 2020 Board Meeting