

NORTH DAKOTA REAL ESTATE COMMISSION

Errors & Omissions Insurance Fact Sheet

I. Requirement:

70-02-02-02. Insurance required. An applicant for issuance of a license on active status, a licensee renewing a license, or an inactive licensee activating a license must submit proof of insurance coverage through the group plan or through certification of equivalent coverage.

II. Where to Get Errors & Omissions Insurance:

A. The Real Estate Commission has made available, to all licensees a policy of E&O Insurance under a group plan from a qualified insurance carrier through Rice Insurance Service, Inc. Enrollment forms and additional information on this plan has been sent to each real estate firm licensed to do business in North Dakota.

B. E&O Insurance may be acquired from any qualified carrier as long as the coverage is equivalent to that made available through the North Dakota Real Estate Commission.

A qualified carrier for equivalent coverage shall:

1. Be authorized by the North Dakota Insurance Department to do business in North Dakota as an insurance carrier, and to write E&O policies for the term of the policy;
2. Have the E&O insurance policy approved by the North Dakota Insurance Department; and
3. Maintain an A.M. Best financial size category rating of Class VI or higher.

III. Terms of Equivalent Coverage:

A. Covers all activities contemplated under the North Dakota Real Estate License Law and Administrative Code under such terms and conditions as are customary in the insurance industry for such policies of insurance which are otherwise permissible under North Dakota law and rules and regulations of North Dakota Insurance Department, and which are contained in a policy of insurance which has been approved by the North Dakota Insurance Department.

B. Specifies not less than \$100,000 single limit liability coverage for each occurrence (each licensee must be covered under the terms of the policy up to \$100,000 per occurrence of claim).

C. The annual aggregate limit cannot be less than \$500,000 per each individual licensee covered by the policy.

IV. Verification of Errors & Omissions Coverage to Real Estate Commission:

A. If you are participating in the E&O Insurance under the Group Plan as a new licensee, you must submit a copy of your certificate of E&O coverage in order to have your real estate license issued to you.

B. New licensees who are covered under an equivalent E&O insurance policy independent of the group plan, and whose E&O insurance corresponds with the required coverage must have their broker certify coverage on a certificate of equivalent coverage signed by an authorized insurance representative.

C. A Certificate of Equivalent Coverage form is enclosed and may be reproduced as needed.