

Notice of Proposed Regulation Changes – The Department of Commerce, Community, and Economic Development, Division of Corporations, Business, and Professional Licensing (CBPL) proposes to update regulations, 12 AAC 02.510-590, regarding real estate errors and omissions insurance requirements, including minimum standards, exceptions to coverage, standards for equivalent coverage, notification for cancellation, maximum amount of premium, method of adjustment, and definition of terms.

Answers to the questions below are some of the common questions regarding the proposed regulation changes.

What will this regulation do?
Provide for minimum requirements for E & O Insurance coverage for real estate licensees.
What is the public need or purpose of this regulation?
Provide for minimum requirements for E & O Insurance coverage for real estate licensees.
What is the public need or purpose of this regulation?
Provide the REC with the ability to seek E & O insurance under a master policy for the real estate licensee.
What <u>positive</u> consequences may this regulation have on public or private people, businesses, or organizations?
Unknown at this time.
What <u>negative</u> consequences may this regulation have on public or private people, businesses, or organizations?
Cost to the licensees may be too expensive.
If any negative consequences, please address the reasons why the public need for this change outweighs the negative impact.
The need for consumer protection outweighs the cost to the licensee.
List any additional questions, or comments that may arise from the public during the comment period. Include a response to the questions.
What is the cost? This is yet to be determined.