Chapter 02. General Occupational Licensing Functions.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

12 AAC 02.530 is amended to read:

12 AAC 02.530. Standards for equivalent coverage. An insurer issuing equivalent coverage under AS 08.88.172(c)(2) shall hold a certificate of authority issued under AS 21.09. All activities contemplated under AS 08.88.172 must be covered. The insurance must meet the minimum coverage standards of **12 AAC 02.510(a)(1) – (3), 12 AAC 02.510(b), and 12 AAC 02.510(c)(1) and (5)** [12 AAC 02.510], except that

(1) a policy with a higher deductible amount or self-insured retention will qualify as equivalent coverage for purposes of AS 08.88.172(c)(2) if, when applying to obtain or renew the license, the insured licensee provides the Real Estate Commission with

(A) an affidavit certifying that the insured licensee has the financial resources in set-aside funds to pay the higher deductible amount or self-insured retention; and

(B) a certificate of insurance from the insured licensee's insurer; and

(2) a broker employing other real estate licensees may comply with the requirements of 12 AAC 02.510(a)(1) and (2) by obtaining insurance with coverage of a minimum of $300,000 per wrongful act and $1,000,000 aggregate, if all licensees associated with the broker are covered. (Eff. 12/4/2011, Register 200; am 3/25/2017, Register 221; am ___/___/____, Register ____)

Authority: AS 08.88.172

12 AAC 02.590(3) is amended to read:

12 AAC 02.590. Definitions. In this chapter, unless the context requires otherwise,

. . .

(3) "equivalent coverage" means errors and omissions insurance coverage

obtained independently of the master errors and omissions insurance policy available from the

Real Estate Commission and that complies with the requirements, terms, and conditions as set

out in **12 AAC 02.530** [12 AAC 02.510 – 12 AAC 02.590];

. . .

(Eff. 12/4/2011, Register 200; am 3/25/2017, Register 221; am ___/___/____, Register ____)

Authority: AS 08.88.172