

## **Errors & Omissions (E&O) Insurance Audit Policy**

All Idaho real estate licensees on active status are required to maintain Errors & Omissions insurance. In accordance with Idaho Code 54-2013 and IDAPA 33.01.01.117 - 122, the following E&O insurance audit procedure will be utilized:

1. On the first of each month, the Licensing Department will create a list of licensed companies with independent E&O insurance due to expire during the upcoming month. The Commission will send the broker an advance Notice of E&O Audit letter by regular mail to the business address, requesting certification that the brokerage's E&O coverage has been renewed, along with a list of sales associates covered by the brokerage policy. If the brokerage provides the requested information in a timely manner, it will not be necessary to request proof of E&O insurance from the sales associates covered under the brokerage policy.
2. On the first of each month, the Licensing Department will create a list of all active status licensees without current E&O insurance on file in the Commission's licensing system. The Licensing Department will send each licensee a Notice of E&O Insurance Audit letter, by regular mail, to both the licensee's home and business addresses on file with the Commission. A separate notice letter will be sent to each licensee's designated broker, if applicable.
3. All notice letters will be in the forms attached hereto.
4. Proof of E&O insurance for independent coverage must be provided on the current version of the Commission's Certification of Coverage form (REE-141) pursuant to IDAPA 33.01.01.117. Certification forms with blanks or handwritten entries, or forms that have been altered, reused or duplicated will not be accepted.
5. If the licensee timely responds to the audit letter and provides proof of continuous current E&O insurance, then the Licensing Department shall notify the licensee by mail of fulfillment of the audit requirements, and the file will be closed.
6. Failure of the licensee to provide proof of current E&O insurance to the Commission by the deadline specified will result in the Licensing Department immediately placing the license on inactive status pursuant to Idaho Code 54-2013(6). The licensee will not be able to reactivate the license until proof of current E&O insurance has been submitted to the Commission.
7. If the proof of E&O insurance coverage submitted by a licensee shows the licensee failed to maintain E&O insurance coverage pursuant to Idaho Code 54-2013 and IDAPA 33.01.01.121, the licensee will be asked to choose one of the following options:
  - a. stipulate to a civil penalty fine by completing a Late E&O Insurance Renewal in the form attached hereto; or
  - b. request a hearing to require staff to prove the violation.



# IDAHO

REAL ESTATE COMMISSION

575 E. Parkcenter Blvd., Suite 180  
Boise, Idaho 83706  
Office: (208) 334-3285 Fax: (208) 334-2050  
Toll-free in Idaho (866) 447-5411  
www.irec.idaho.gov

Date

Name

Business name if applicable

Mailing address for either the company or home

City State Zip

## NOTICE OF LICENSE INACTIVATION

Dear Licensee:

Due to your failure to respond to the Commission's request for verification of Errors & Omissions (E&O) insurance, **your [company] license has been inactivated.**

In order to re-activate your license, you must contact our office with proof of current E&O insurance.

**SATISFACTORY PROOF** of E&O insurance includes one of the following:

1. Rice Insurance Services Company (RISC) Certificate of Coverage for the Commission's group E&O insurance policy; **OR**
2. IREC Form REE-141, Independent E&O Insurance Certification of Coverage for other independent insurance. This form must be the most current version, and it is required to be completed and signed by your insurance carrier. A fill-in-able PDF version is available on the Forms page of [irec.idaho.gov](http://irec.idaho.gov) for your insurance agent's convenience. Forms with blanks or handwritten entries, or forms that have been altered, reused or duplicated **will not be accepted.** It is unnecessary to send Acord certificates or the cover page of your policy, only the Form REE-141. If yours is a brokerage (firm) policy, you must also include a list of all licensees covered by the policy.

Sincerely,

Idaho Real Estate Commission



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Date

Name

Business Name if applicable

Mailing address for either business or home

City State Zip

#### AUDIT RESULTS – FINDING OF COMPLIANCE

Dear Licensee:

Thank you for submitting proof of current Errors & Omissions (E&O) insurance. Our records now reflect you are in compliance with Idaho Code.

If you change companies in the future, please remember to confirm whether this E&O coverage will transfer to your new brokerage before your company change is effective.

Thank you very much for your cooperation.

Sincerely,

Idaho Real Estate Commission



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## ERRORS & OMISSIONS INSURANCE AUDIT

**This notice requires your immediate attention! No further notice will be given.**

The Idaho Real Estate Commission hereby requests proof that you have carried and maintained Errors & Omissions (E&O) insurance as required by Idaho Code. **Our records reflect you do not have current E&O insurance on file.**

**RETURN THIS LETTER** by mail, fax or e-mail to [licensing@irec.idaho.gov](mailto:licensing@irec.idaho.gov) with satisfactory proof of current E&O insurance coverage by <date>.

**FAILURE** to submit proof by the above date will result in **immediate inactivation** of your license. You may also be subject to disciplinary action, including a civil penalty fine and/or suspension of your license. (See Idaho Code 54-2013 and Rules 117 through 122.)

**SATISFACTORY PROOF** of E&O insurance includes one of the following:

1. Rice Insurance Services Company (RISC) Certificate of Coverage for the Commission's group E&O insurance policy; **OR**

2. IREC Form REE-141, Independent E&O Insurance Certification of Coverage for other independent insurance. This form must be the most current version, and it is required to be completed and signed by your insurance carrier. A fill-in-able PDF version is available on the Forms page of [irec.idaho.gov](http://irec.idaho.gov) for your insurance agent's convenience. Forms with blanks or handwritten entries, or forms that have been altered, reused or duplicated **will not be accepted**. It is unnecessary to send Acord certificates or the cover page of your policy, only the Form REE-141. If yours is a brokerage (firm) policy, you must also include a list of all licensees covered by the policy.

If you have any questions or if you feel you have received this notice in error, please contact the Licensing Department at (208) 334-3285.

Sincerely,

Idaho Real Estate Commission

Approved by Commissioners 1/19/12



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575 E. Parkcenter Blvd., Suite 180  
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Date

Name

Company (if applicable)

Mailing address for either business or home

City State and Zip

## ERRORS & OMISSIONS INSURANCE AUDIT

**This notice requires your immediate attention! No further notice will be given.**

The Idaho Real Estate Commission hereby requests proof that your company has carried and maintained Errors & Omissions (E&O) insurance as required by Idaho Code. **Our records reflect your company does not have current E&O insurance on file.**

**RETURN THIS LETTER** by mail, fax or e-mail to [licensing@irec.idaho.gov](mailto:licensing@irec.idaho.gov) with satisfactory proof of current E&O insurance coverage by <date>.

**FAILURE** to submit satisfactory proof by the above date that your company has carried and maintained E&O insurance will result in **immediate inactivation** of your company's license. Your company may also be subject to disciplinary action including a civil penalty fine and/or suspension of your company's license. (See Idaho Code 54-2013 and Rules 117 through 122.)

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2. IREC Form REE-141, Independent E&O Insurance Certification of Coverage for other independent insurance. This form must be the most current version, and it is required to be completed and signed by your insurance carrier. A fill-in-able PDF version is available on the Forms page of [irec.idaho.gov](http://irec.idaho.gov) for your insurance agent's convenience. Forms with blanks or handwritten entries, or forms that have been altered, reused or duplicated **will not be accepted**. It is unnecessary to send Acord certificates or the cover page of your policy, only the Form REE-141. If yours is a brokerage (firm) policy, you must also include a list of all licensees covered by the policy.

Sincerely,

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Date

Broker Name

Company

Mailing address for either business or home

City State and Zip

### **ERRORS & OMISSIONS INSURANCE AUDIT**

**This notice requires your immediate attention! No further notice will be given.**

On **Date Sent**, the Idaho Real Estate Commission mailed a letter to **Agent Name** requesting proof of having carried and maintained the Errors & Omissions (E&O) insurance coverage required by Idaho Code. Your associate must submit this proof by (30 days from date on letter) in order to prevent inactivation of his/her license.

Failure of your associate to submit satisfactory proof of E&O coverage may result in the **immediate inactivation** of the license and may also subject him/her to disciplinary action including a civil fine and/or the suspension of the license. See Idaho Code 54-2013 and Rules 117 through 122).

**SATISFACTORY PROOF** of E&O insurance includes one of the following:

1. Rice Insurance Services Company (RISC) Certificate of Coverage for the Commission's group E&O insurance policy; **OR**

2. IREC Form REE-141, Independent E&O Insurance Certification of Coverage for other independent insurance. This form must be the most current version, and it is required to be completed and signed by your insurance carrier. A fill-in-able PDF version is available on the Forms page of [irec.idaho.gov](http://irec.idaho.gov) for your insurance agent's convenience. Forms with blanks or handwritten entries, or forms that have been altered, reused or duplicated **will not be accepted**. It is unnecessary to send Acord certificates or the cover page of your policy, only the Form REE-141. If yours is a brokerage (firm) policy, you must also include a list of all licensees covered by the policy.

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### **ERRORS & OMISSIONS INSURANCE AUDIT**

**This notice requires your immediate attention! No further notice will be given.**

The Idaho Real Estate Commission hereby requests proof of renewal or extension of your independent E&O insurance coverage for your brokerage. **Our records reflect your current policy is due to expire this month.**

**RETURN THIS LETTER** by mail, fax or e-mail to [licensing@irec.idaho.gov](mailto:licensing@irec.idaho.gov) with satisfactory proof of extension of your E&O insurance coverage by **<date>**.

**SATISFACTORY PROOF** of E&O insurance includes one of the following:

1. Rice Insurance Services Company (RISC) Certificate of Coverage for the Commission's group E&O insurance policy; **OR**

2. IREC Form REE-141, Independent E&O Insurance Certification of Coverage for other independent insurance, together with a list of licensees covered by the firm policy. This form must be the most current version, and it is required to be completed and signed by your insurance carrier. A fill-in-able PDF version is available on the Forms page of [irec.idaho.gov](http://irec.idaho.gov) for your insurance agent's convenience. Forms with blanks or handwritten entries, or forms that have been altered, reused or duplicated **will not be accepted**. It is unnecessary to send Acord certificates or the cover page of your policy, only the Form REE-141 with the list of covered licensees.

If you respond in a timely manner, it may be possible to avoid individual audits of the licensees associated with your office. We appreciate your prompt attention to this matter. If you have any questions, please contact the Licensing Department at (208) 334-3285.

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Date

Name

Company name, if applicable

Business or home address

City State Zip

### **AUDIT RESULTS – FINDING OF NON-COMPLIANCE**

Dear Licensee:

Thank you for providing proof of current Errors & Omissions (E&O) insurance in response to our request. Unfortunately, the documentation you submitted shows you failed to carry and maintain continuous E&O coverage while you held an active license, as required by Idaho Code. Therefore, you are subject to disciplinary action.

Please complete the Late E&O Insurance Renewal form (REE-056) on the reverse of this letter and return it to the Commission with the applicable fine payment or your demand for formal action.

#### **NOTE:**

- If you have previously paid a fine for failure to maintain E&O insurance, subsequent fines are doubled.
- Any late renewal or break in coverage -- even a day or two -- will result in a fine.
- Placing your license on inactive status after you were contacted by the Commission regarding your insurance coverage will not prevent a fine from being imposed.

If you feel you have received this notice in error or if you have any questions, please contact our Licensing Department at (208) 334-3285.

Sincerely,

Idaho Real Estate Commission