324.395 Errors and omissions insurance mandatory for all licensees.

(1) All real estate licensees, except those whose licenses are in escrow in accordance with KRS 324.310(2), shall carry errors and omissions insurance to cover all activities contemplated under this chapter.

(2) The commission shall make the insurance mandated under this section available to all licensees by contracting with an insurance provider for a group policy, after competitive, sealed bidding in accordance with KRS Chapter 45A.

(3) Any policy obtained by the commission shall be available to all licensees with no right on the part of the insurance provider to cancel any licensee.

(4) Licensees shall have the option of obtaining errors and omissions insurance independently, if the coverage contained in the policy and the financial condition of the insurance company complies with the minimum requirements established by the commission.

(5) The commission shall determine the terms and conditions of coverage mandated under this section, including, but not limited to, the minimum limits of coverage, the permissible deductible, and permissible exemptions.

(6) Each licensee shall be notified of the required terms and conditions of coverage for the annual policy at least thirty (30) days prior to the annual license renewal date. A certificate of coverage, showing compliance with the required terms and conditions of coverage, shall be filed with the commission by the annual license renewal date by each licensee who opts not to participate in the group insurance program administered by the commission.

(7) If the commission is unable to obtain errors and omissions insurance coverage to insure all licensees who choose to participate in the group insurance program at a reasonable annual premium, not to exceed two hundred dollars ($200), the insurance requirement mandated by this section shall be void during the applicable contract year.

Effective: July 13, 2004

History: Amended 2004 Ky. Acts ch. 45, sec. 9, effective July 13, 2004. -- Amended 2000 Ky. Acts ch. 488, sec. 30, effective July 14, 2000. -- Amended 1992 Ky. Acts ch. 448, sec. 28, effective July 14, 1992. -- Created 1986 Ky. Acts ch. 49, sec. 1, effective July 15, 1986.