SENATE FILE NO. SF0139

Real estate agents-errors and omissions insurance.

Sponsored by: Senator(s) Barrasso and Representative(s) Martin, Olsen and Petersen

A BILL

for

AN ACT relating to real estate brokers and salesmen; requiring real estate brokers, associate brokers and salesmen to obtain and submit proof of errors and omissions insurance; providing for the real estate commission to procure group coverage; authorizing rulemaking; authorizing a fee; providing for exceptions; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 33-28-401 is amended to read:

33-28-401. Errors and omissions insurance; rulemaking authority; commission duties; certificate of coverage; administrative fee.

(a) Beginning January 1, 2008, an applicant for a real estate license pursuant to W.S. 33-28-106, a licensee renewing a license or an inactive licensee activating a license pursuant to W.S. 33-28-118, shall submit proof of insurance coverage through the group plan provided pursuant to this section or through certification of optional coverage.

(b) The commission shall make errors and omissions insurance available to all licensees by contracting with an insurer for a group policy after competitive bidding. Any group policy obtained by the commission shall be available to all licensees and shall prevent the insurer from canceling any licensee. Licensees may obtain errors and omissions insurance independently if the coverage complies with the minimum requirements established by the commission.

(c) The ~~Wyoming real estate~~ commission ~~is authorized to~~ shall promulgate ~~reasonable~~ rules and regulations ~~regarding optional errors and omissions insurance coverage for persons licensed under this chapter.~~ necessary to specify the terms and conditions of coverage required under this section, including the minimum limits of coverage, the permissible deductible and permissible exemptions. Each licensee shall be notified of the required terms and conditions at least thirty (30) days prior to the annual license renewal date. Each licensee who elects not to participate in the group program administered by the commission shall file a certificate of coverage showing compliance with the required terms and conditions with the commission by the annual license renewal date.

(d) If the commission is unable to obtain errors and omissions insurance coverage to insure all licensees who elect to participate in the group program, at a reasonable annual premium not to exceed three hundred dollars ($300.00) per licensee, the errors and omissions insurance requirement of this section shall not apply during the year for which the commission cannot obtain the errors and omissions insurance coverage.

(e) The commission shall charge and collect an administrative fee in addition to the premium paid from each licensee who obtains errors and omissions insurance through the commission. This administrative fee shall be of an amount sufficient to cover the administration of this section and shall not exceed ten dollars ($10.00) per licensee. The maximum premium specified in subsection (d) of this section applies only to premium cost and not to any administrative fee charged.

Section 2. This act is effective July 1, 2007.

(END)