

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 24.30.01.117 - 122, the following E&O insurance audit procedure will be utilized:

- 1) The first of each month, the Education & 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 Education & 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 the licensee's home addresses on file with the Commission. A separate notice letter will be sent to each licensee's designated broker, if applicable.
- 3) Proof of E&O insurance for independent coverage must be provided on the current version of the Commission's Independent Errors & Omissions Insurance Certification of Coverage form (REE-141/142) and filled out by insurance agent pursuant to IDAPA 24.30.01.117. Certification forms with blanks, or forms that have not been completed by insurance agent, have been altered, reused or duplicated will not be accepted.
- 4) If the licensee timely responds to the audit letter and provides proof of continuous current E&O insurance, then the Education & Licensing Department shall notify the licensee by mail of fulfillment of the audit requirements, and the file will be closed.
- 5) Failure of the licensee to provide proof of current E&O insurance to the Commission by the specified deadline (30 days after request) will result in the Education & 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.
- 6) 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 24.30.01.121, the licensee will be notified by letter to choose one of the following options (REE-056):
 - a. Stipulate to a civil penalty fine by completing a Late E&O Insurance Renewal
 - b. Request for formal action.