NEBRASKA REAL ESTATE COMMISSION

Errors & Omissions Insurance Fact Sheet

I. Requirement:

Any applicant for issuance of an original license on active status or the renewal of a license on active status, shall not be issued such active license unless he or she has submitted proof, or had proof submitted, of Errors & Omissions (E&O) Insurance coverage to the Nebraska Real Estate Commission office.

II. Where to Get Errors & Omissions Insurance:

A. The Real Estate Commission has made available, to all licensees, a policy of E&O Insurance under a Group Plan from a qualified insurance carrier through our E & O Program Administrator. Enrollment forms and additional information on this plan are sent with license renewal materials, and are included when license application has been made. These materials can also be acquired by contacting the Commission Office.

B. E&O Insurance may be acquired from any qualified carrier as long as the coverage is equivalent to that made available through the Real Estate Commission. Qualified carrier for equivalent coverage shall:

Be authorized by the State of Nebraska Department of Insurance to do business in Nebraska as an insurance carrier, and to write E&O policies for the term of the policy;

Have the E&O Policy approved by the State of Nebraska Department of Insurance;

Maintain an A.M. Best Company rating of B+ or better; and

Maintain an A.M. Best Financial Size Category rating of Class VI or better.

III. Terms of Equivalent Coverage (299 N.A.C. Chapter 8):

A. Covers all activities contemplated under the Nebraska Real Estate License Act, under such terms and conditions as are customary in the insurance industry for such policies of insurance which are otherwise permissible under Nebraska law and rules and regulations of State of Nebraska Department of Insurance, and which are contained in a policy of insurance which has been approved by the State of Nebraska Department of Insurance.

B. Specifies not less than $100,000.00 combined single limit liability coverage for each occurrence (each licensee must be covered under the terms of the policy up to $100,000.00 per occurrence or claim).

C. Specifies a deductible amount of not greater than the deductible amount specified in the group policy secured by the Commission for the calendar year during which the equivalent insurance goes into effect. Any equivalent insurance which extends into a calendar year when the deductible on the group policy has changed effective January 1 of the year may retain the deductible amount until such time as the equivalent insurance is renewed or renegotiated in that calendar year.

D. Specifies an annual aggregate limit cannot be less than $300,000.00 per each individual licensee covered by the policy.

IV. Verification of Errors & Omissions Coverage to Real Estate Commission:

A. The State Program Administrator will certify, directly to the Real Estate Commission, all persons who have acquired E&O Insurance under the Group Plan for both renewal and original licenses.

B. Original applicants obtaining equivalent Errors and Omissions Insurance independently of the Group Plan available through the State Program Administrator must submit a certificate of equivalent coverage, signed by an authorized insurance representative, to the Commission office before original license issuance.

C. Licensees who are obtaining equivalent E&O Insurance independently of the Group Plan, and whose E&O Insurance coverage expires on or after January 1, 2026, must submit with the license renewal form, or must arrange to have submitted, a certificate of equivalent coverage which shows renewed coverage for two-years and is signed by an authorized insurance representative before their license will be renewed. It is the licensee's responsibility to make sure that all filing deadlines are met.

D. In instances where a licensee's E&O coverage does not correspond to the calendar year, certifications of equivalent coverage for the new two-year policy period must be submitted on or before the current E&O expiration date in order to remain licensed on active status and need not be resubmitted with renewal.

E. A Certification of Equivalent Coverage form is enclosed and may be reproduced as needed.

V. Automatic Inactivation:

A. When a licensee fails to provide, or have provided, a certificate of equivalent coverage, or fails to have coverage certified by the State Program Administrator, his/her license shall immediately be placed on inactive status.

B. Licensees will be inactive as of the date that their current E&O Insurance coverage expires, provided the licensee has not indicated coverage as set forth in IV above.

C. Notification of inactivation will be sent to the licensee within five working days of the inactivation date.

D. Licensees who have been placed on inactive status due to not having E&O coverage may be activated by submitting, having the equivalent carrier submit, or having the State Program Administrator submit, certification of coverage and the proper transfer documents and fees. If this is done within 30 days of inactivation, activation may be dated as of the insurance effective date. If this is done beyond 30 days after inactivation, activation is subject to transfer date.