



## Colorado Division of Real Estate

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## Errors and Omissions Insurance Requirements

Commission rule D-14 requires that all active, licensed real estate brokers obtain a policy of errors and omissions (E&O) insurance to cover all acts that require a license. The Division of Real Estate contracts with an insurance company to obtain insurance for licensees to ensure that all licensees can obtain coverage. Licensees are not required to use the contracted insurance company; however, if you choose to obtain coverage through a company other than the contracted insurance provider, you must provide a "Certificate of Independent Coverage" form with your license application (contained in this application packet).

## The State "Group" Policy

The currently contracted insurance provider is Rice Insurance Services, LLC. Applicants can obtain a policy online through Rice's website at <http://www.risceo.com/> or by calling their 800 number at 1-800-637-7319. If you obtain a policy online, you will be provided with a certificate of coverage. You are required include this certificate with your license application.

You may purchase a policy that goes into effect after the date of application submission, but doing so may cause a delay in the processing of your license application, as we will not be able to issue an active license until the effective date of the insurance policy. For example, if you submit your application on June 25<sup>th</sup>, but purchase a policy effective July 1<sup>st</sup>, then your license will be issued effective July 1<sup>st</sup>, providing all other application requirements have been met. If you purchase a policy effective more than 2 weeks beyond your application submission date, there is a possibility that your license will be issued on inactive status, and an additional application may be required for you to move your license to active status. Please be aware of these constraints.

## Independent Policies

Applicants may choose to purchase a policy outside of the State's contracted provider. In some instances, the company you have selected to work for requires specific levels of coverage, a specific insurance provider, or they may carry an "umbrella" policy that covers all employees of the company. An applicant may choose any insurance company that meets the requirements of Commission Rule D-14 (located in chapter 2 of the abridged version of the Colorado Real Estate Manual, which you can find by visiting the Division's website at <http://dora.colorado.gov/dre>, then selecting "Real Estate Manual" under the section titled "Top Links").

If you choose any of these options, you must include the "Certificate of Independent Coverage" form with your license application. This form requires that the insurance company certify that they meet with the requirements listed in rule D-14 and is included in this application packet. Please note that an authorized representative from the selected insurance company must complete this form.

If you fail to include a certificate of coverage with your license application, your license will be issued on inactive status, and an activation form will be required to move your license to active status. An additional license fee is required to move your license from inactive to active status, so please be sure to include this information with your license application.

## Requesting an Inactive License?

If you are requesting that we issue your license on inactive status, you are not required to obtain E&O insurance.