



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
TENNESSEE REAL ESTATE COMMISSION
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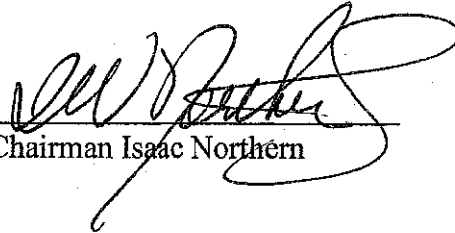
COMMISSION POLICY STATEMENT
NUMBER: 2011-CPS-001
EFFECTIVE DATE: April 14, 2011

POLICY ON LAPSED E&O INSURANCE

1. Policy 2010-CPS-003 [Policy on Lapsed Errors & Omissions Insurance] is hereby amended to include all of the changes made April 14, 2011 as below and shall continue forth applicable upon the 91st day after the renewal due date of the E&O Insurance covered by this policy amending 2010-CPS-003 herein into future renewable cycles;
2. A licensee who has failed to comply with the Commission's requirement to be insured in the first 91 days of the renewal cycle but as of April 14, 2011 has insurance, will be offered an authorized consent order with a civil penalty of \$500.00 and completion of four (4) hours of continuing education in Ethics within three (3) months;
3. A licensee who purchased E&O insurance between the 91st day and the 104th day (meeting day of April 14, 2011) will be offered an authorized consent order with a civil penalty of \$500.00 and completion of four (4) hours of continuing education in Ethics within three (3) months;
4. Amending Policy Number 2010-CPS-003 to include: If a licensee fails to renew an Errors & Omissions insurance policy prior to expiration, that licensee may be subject to a consent order authorized with a civil penalty of up to one thousand dollars (\$1,000.00) per day for each day that licensee remains uninsured or other discipline including license suspension or revocation. A Principal Broker who fails to ensure each affiliated licensee maintains Errors & Omissions insurance may be subject to an authorized consent order with a civil penalty of one thousand dollars (\$1,000.00) per uninsured licensee;
5. A Principal Broker with a licensee or licensees that are not currently insured as of April 14, 2011 be offered an authorized consent order with a civil penalty of one thousand dollars (\$1,000.00) per uninsured affiliate and completion of four (4) hours of continuing education in Ethics within three (3) months;

6. Where any authorized consent order offered a licensee is not accepted by the licensee and requires a formal hearing on the matter discussed in this policy and amendments the Commission hereby authorizes it be done before an Administrative Law Judge who has the authority to hear and decide the matter per the Uniform Administrative Procedures Act, Tenn. Code Ann. Title 4, Chapter 5.

ADOPTED BY THE COMMISSION JUNE 9, 2011.


Chairman Isaac Northern

