



# Risk and Insurance for Real Estate Brokerages

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**AXIS**

# Coverage Available for Real Estate Brokerages

1. Excess Errors and Omissions
2. Disciplinary Actions and Legal Expense Insurance
3. Vicarious Liability
4. Cyber Risks & Insurance
5. Commercial General Liability
6. Property and Crime

# Excess Errors & Omissions Insurance

Provides REALTORS® and the brokerage with limits that are in excess of the \$1,000,000 provided by the Real Estate Errors & Omissions Insurance Corporation (REEOIC).

Fills the gap in two scenarios where REEOIC limits may be reduced:

- i. Claims that arise out of co-listing will likely have all brokerages retained by the seller sharing the \$1m limit provided by REEOIC.
- ii. If the brokerage is engaged in marketing multiple-unit housing, brokerages should note that multiple claims from the same project may be related claims and subject to one limit of coverage under the Indemnity Plan.

# Vicarious Liability Risk & Insurance

Section 6(2) of the Real Estate Services Act makes managing brokers responsible for the supervision of associate brokers and representatives licensed under the brokerage.

Maximum disciplinary fine is \$250k under section 43 (2)(i) of the act.

Insurance extension included on the excess E&O policy coming in the fall.

Coverage will be provided for disciplinary fines against managing brokers (not including the brokerage) that arise from their vicarious liability from supervising agents.

# Cyber Risks & Insurance

Consider how your brokerage would be impacted if:

- a cyber-attack shut down your computer system for a month
- a wire transfer was stolen by a hacker
- a fraudster tricked an employee into paying funds to someone not entitled to them.

Insurance should provide access to a specialized support team to help you recover and get back to business as quickly as possible.

# Commercial General Liability Risks & Insurance

General liability claims generally arise when a third party slips and falls either at an open house or the brokerage's office.

Insurance protects Realtors and the brokerage from alleged bodily injury or property damage claims made by third parties.

While some claims resulting from open houses or showings may be covered under a seller's homeowner policy, agents have still been named in lawsuits. There are also a few cases when a homeowner's insurer has sought recovery for alleged property damage through the negligence of a Realtor.

# Commercial General Liability Risks & Insurance

A main benefit of the coverage is the defense costs that are available for protecting Realtors and the brokerage. Further, the adjusters and lawyers help you save time in defending the claim so you can focus on your business.

# Property and Crime Insurance

Offices and buildings have the risks of water damage, flood, and fire, and earthquake.

Insurance policies provide coverage for damage to office contents, equipment and tenant improvements, and may also provide coverage for loss of income due to interruption of business operations.



More information on the Axis insurance program can be found here:

<https://realtor.axisinsurance.ca/>

To speak to someone about your brokerage's specific insurance needs, please contact:

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Thank  
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