Real Estate Errors and Omissions Insurance

REAL ESTATE
Errors & Omissions
INSURANCE CORPORATION

BCREA Managing Broker Community of Practice

Agenda

- E&O coverage during COVID-19
- Claims to watch for during COVID-19
- Risk management tips

Our Mission Statement

We provide cost-effective professional liability insurance, loss prevention tools and legal support services for the protection of real estate licensees and thereby the public.

What we do

E&O has been protecting licensees for over 32 years:

- mandatory for all licensees
- not-for-profit
- self-insured

What we do

E&O protects licensees against liability for:

- errors, omissions or negligent acts that happen in the performance of their professional duties.

What we cover

Terms of coverage are in Indemnity Plan RE0420

- $1 million policy limit
- Covers economic losses
- No changes due to COVID-19

Claims

Open claims:

- 29% not in litigation
- 13% in Small Claims Court/CRT
- 58% in Supreme Court
- 46% of litigation done in-house

Common types of claims

- Misrepresentation
- Non-Disclosure
- Breach of fiduciary duty
- Negligence
- Fraud
- Breach of contract

Claims to watch for in COVID-19

Claims around subject clauses/due diligence

- May not be able to meet timelines for conditions
- Look for virtual solutions for appraisals, inspections, document review, tenant access issues
- Electronic signatures
- Consider longer condition removal dates
- Document advice/Recommend legal advice

Claims to watch for in COVID-19

Claims relating to completion/possession

- Consider longer completion/extensions
- Discuss tenant issues, notice, agreements and potential possession problems in advance
- Property management claims
- Document advice
- Recommend legal advice if dispute

Claims to watch for in COVID-19

Claims on valuation and marketing property

- Document advice (CMA) and retain
- Discuss and document marketing to be done and in compliance with health orders –manage expectations
- Claims increase in volatile markets

Claims to watch for in COVID-19

Practicing outside your expertise

- Do not dabble outside your expertise
- If expanding practice area get education, mentoring, or make referrals
- Are you qualified to give the advice?
- Know you own limits

Claims to watch for in COVID-19

Fraud/social engineering claims

- Verify clients and client contact info
- Watch for social engineering scams
- If suspicious get legal advice and tell client to do same

How to report a claim

- Report potential claims promptly
- Report claims in writing, with a statement and documentation
- Send report to:

reception@reeoic.com

More on our coverage

- www.reeoic.com
- Password: eno
- FAQs

Questions?

Thank you.

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