**Disclaimer:**

This consultation draft is intended to facilitate dialogue concerning its contents. Should the decision be made to proceed with the proposal, the comments received during consultation will be considered during the final preparation of the regulation. The content, structure, form and wording of the consultation draft are subject to change as a result of the consultation process and as a result of review, editing and correction by the Office of Legislative Counsel.

ontario regulation

to be made under the

Real Estate and Business Brokers Act, 2002 A Consultation Draft

Amending O. Reg. 579/05

(EDUCATIONAL REQUIREMENTS, INSURANCE, RECORDS AND OTHER MATTERS)

 1.  Section 11 of Ontario Regulation 579/05 is revoked and the following substituted:

Insurance coverage

 **11.**(1)  In this section,

“commission protection insurance” means insurance to pay claims made by a registrant forcommission or remunerationin relation to a trade in real estate, if the claims arise out of money or other property entrusted to or received by another registrant in the course of trading in real estate; (“assurance-commissions”)

“deposit insurance” means insurance to pay claimsfor the loss of a deposit or part of a deposit in relation to a trade in real estate, if the claims arise out of money or other property entrusted to or received by a registrant as a deposit in the course of trading in real estate; (“assurance-dépôts”)

“professional liability insurance” means insurance to pay for damages and legal costs arising out of claims for damages made against a registrantfor an error, omission or negligent act in the course of trading in real estate. (“assurance-responsabilité civile professionnelle”)

 (2)  All registrants shall be insured under a group insurance policy that is arranged and administered by the board of the administrative authority and that provides for the following:

 1. Professional liability insurance that provides coverage of at least $1 million in respect of any particular claim under the insurance and at least $3 million for all claims under the insurance made in any policy year against any particular registrant.

 2. Deposit insurance that provides coverage of at least $100,000 in respect of any particular claim under the insurance and at least $1,000,000 for all claims under the insurance in respect of the same occurrence.

 3. Commission protection insurance that provides coverage of at least $100,000 in respect of any particular claim under the insurance and at least $1,000,000 for all claims under the insurance in respect of the same occurrence.

 (3)  The board of the administrative authority may arrange for and administer the group insurance described in subsection (2) and may act as the named insured.

 (4)  Every registrant who is insured under the group insurance policy described in subsection (2) shall pay the registrant’s share, as determined in accordance with subsection (5), of,

 (a) the premiums and deductibles required by the policy and any applicable taxes; and

 (b) the expenses of the board of the administrative authority that are associated with the policy, including contributions to any reserve funds related to the policy.

 (5)  The board of the administrative authority shall determine the share that subsection (4) requires a registrant to pay, which may be nil.

 (6)  Every registrant shall make the payments required by subsection (4) on or before the due dates fixed by the board of the administrative authority.

 (7)  At the time of applying for registration, an applicant shall pay the amount that the applicant would be required to pay under subsection (4) if the applicant were a registrant.

 (8)  This section does not prevent a registrant from carrying insurance in addition to the insurance required by subsection (2).

[Commencement]

 2.  [Commencement]