

This is an amendment to 16.61.5 NMAC Section 9, effective 12-31-2008.

**16.61.5.9 TERMS OF COVERAGE:** The group policy shall provide, at a minimum, the following terms of coverage:

- A. coverage of all acts for which a real estate license is required, except those illegal, fraudulent or other acts which are normally excluded from such coverage;
- B. ~~[an annual premium not to exceed \$200]~~ an annual premium not to exceed the amount set by statute 61-29-4.2B NMSA 1978;
- C. that the coverage cannot be cancelled by the insurance carrier except for non-payment of the premium or in the event a broker becomes inactive or has their license revoked or an applicant is denied a license;
- D. pro-ration of premiums for coverage which is purchased during the course of the calendar year but with no provision for refunds of unused premiums;
- E. not less than \$100,000 coverage for each licensed individual and entity per covered claim regardless of the number of brokers or entities to which a settlement or claim may apply;
- F. an aggregate limit of \$500,000 per licensed individual or entity;
- G. a deductible amount for each occurrence of not more than \$1,000 per claim and no deductible for legal expenses and defense;
- H. the obligation of the insurance carrier to defend all covered claims;
- I. coverage of a broker's use of lock boxes;
- J. the ability of a broker, upon payment of an additional premium, to obtain higher or excess coverage or to purchase additional coverage from the insurance provider as may be determined by the provider;
- K. that coverage is individual and license specific and will cover the associate broker regardless of changes in qualifying broker;
- L. an extended reporting period of not less than 365 days;
- M. a conformity endorsement allowing a New Mexico resident broker to meet errors and omissions insurance requirements for an active license in another group mandated state without the need to purchase separate coverage in that state.

[16.61.5.9 NMAC - N, 1-1-2002; A, 1-1-2006; A, 12-31-2008]