**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 40‑57‑247 SO AS TO REQUIRE THAT REAL ESTATE BROKERS, AND CERTAIN RELATED PROFESSIONS, CARRY ERRORS AND OMISSIONS INSURANCE, TO REQUIRE THE DEPARTMENT OF LABOR, LICENSING AND REGULATION TO CONTRACT WITH AN INSURANCE PROVIDER TO OBTAIN A GROUP POLICY, AND TO AUTHORIZE THE DEPARTMENT TO SET FORTH THE STANDARDS OF A QUALIFYING INSURANCE POLICY.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 57, Title 40 of the 1976 Code is amended by adding:

“Section 40‑57‑247. (A) An active licensee must carry errors and omissions insurance to cover all activities contemplated under this chapter.

(B) The commission shall make the insurance required pursuant to subsection (A) available to all any licensee by contracting with an insurance provider for a group policy, after competitive sealed bidding, in accordance with Chapter 35, Title 11.

(C) Any policy obtained by the commission shall be available to any licensee and the insurance provider may not cancel any licensee.

(D) A licensee may obtain errors and omissions insurance independently so long as the coverage contained in the policy and the financial condition of the insurance company complies with the minimum requirements established by the commission pursuant to subsection (E).

(E) The commission may promulgate regulations to set forth the terms and conditions of coverage mandated under this section, including, but not limited to, the minimum limits of coverage, the permissible deductible, and permissible exemptions.

(F) Each licensee shall be notified of the required terms and conditions of coverage for the policy at least thirty days prior to the licensee’s license renewal date. A certificate of coverage, showing compliance with the required terms and conditions of coverage, must be filed with the commission by the license renewal date by each licensee who opts not to participate in the group insurance program administered by the commission.

(G) If the commission is unable to obtain errors and omissions insurance coverage to insure all licensees who choose to participate in the group insurance program at a reasonable annual premium, not to exceed two hundred dollars, this section shall be ineffective during the applicable contract year.”

SECTION 2. The section takes effect January 1, 2014.

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