

# **Kentucky Real Estate Commission**

## **ONLINE RENEWAL - FREQUENTLY ASKED QUESTIONS:**

### **General Questions**

#### **1. When is firm registration and what is it for?**

Firm registration will begin on February 20. Firm registration is only for principal brokers. This process will allow the principal broker to enter their escrow account information, download private E & O certificates, review firm/branch information, review and release licensees associated with the firm, and renew their own license. These steps must be completed before the broker and all licensees in their firm can begin the renewal process.

#### **2. When can I renew?**

Online Licensing Services will be ready for renewal for all licensees beginning March 1. Active licensees associated with a principal broker cannot renew until their principal broker has completed their registration and renewal.

**It is mutually beneficial to all licensees for principal brokers to renew early.**

#### **3. Where can I renew?**

Goto [www.krec.ky.gov](http://www.krec.ky.gov), select "Online Licensing Services" tab located across the top left side under the logo to login and the system will guide you through the process. All licensees (both active and escrow) must renew online.

#### **4. When do I have to renew?**

All licensees must renew by March 31 of each year. After that date, licensees are subject to cancellation plus late renewal penalties (\$100 from April 1 to May 15 and \$200 beginning May 16).

#### **5. How do I enter my online payment information?**

After you have logged in and completed the online information, you will be asked to select the type of payment.

You can use a debit card, credit card or electronic check to pay your renewal online.

For debit and credit card payments - you will need to enter the name on the card, the card number and the expiration date.

For electronic check payments – you will need to enter the name on the account, the name of the bank, the routing number and account number.

#### **6. What if I don't have a computer?**

Most, if not all, public libraries offer computers for use by the public at no charge. You may also be able to access a computer through your office, a friend, or a family member. There will be a computer in the Commission lobby during normal business hours.

**7. Is this a secure site?**

Yes, the site is very secure. You will notice the site will direct you to a link that begins with [https:](https://) instead of the usual [http:](http://). This is the same type of security measure you will see if you access your bank account and many other secure functions online.

**8. I am a principal broker and I have renewed. How will I know if my associates have renewed their licenses?**

Principal brokers are able to log into Online Licensing Services and review the renewal status of all the licensees associated with their firm. Go to the firm management section. Then select the firm and branch and click on [release, review and print licenses](#) to see those who have or have not renewed. It will show the licensees associated with the office and their renewal status.

You can also check the renewal status of any licensee by going to the Commission's website [www.krec.ky.gov](http://www.krec.ky.gov) and clicking on the License Verification tab. You will need to check the box to agree to the disclaimer and begin your search. A renewed licensee will show an expiration date of 3/31 for the following year.

**CHANGES**

**9. What if I make a change to my license after I receive my renewal notice?**

Once your change has been completed, you will be able to login and renew your license at that point. Do not wait to make a change to your license. **If you want to change your affiliation or move your license in or out of escrow, it will be much easier for you to make the change in February before renewal, or in April after renewal.**

**10. What if my address is wrong on my renewal notice?**

If your home address is incorrect, you will be able to update your information on the online system not only during renewal but throughout the year. Once you have logged in, click on ["update my contact information"](#) and make the necessary changes. You will be able to enter your phone number and email address as well.

**11. How do I cancel my license?**

- a. If your license is in **escrow** or in hold status (has been released by your principal broker), you can cancel it through Online Licensing Services. Just login and register your information, then follow the prompts.
- b. Escrow licensees will be asked if they wish to continue their Escrow status. You can select **no** and
- c. allow your license to be cancelled. You will be asked to confirm your choice.
- d. **On hold** licensees will select **"cancel license"** in the renewal section.
- e. If your license is **active**, you will need to have your principal broker release your license.

- f. The principal broker can release your license thru Online Licensing Services.
- g. You must submit a signed written request to cancel your license at any time.
- h. If you do not renew your license by March 31, it will be cancelled effective April 1.

## **12. What if my principal broker releases my license?**

You have two options:

### **Re-affiliate with another principal broker:**

If you plan to re-affiliate, your principal broker will complete Form #200 and submit the form, along with a \$10 check or money order. You will also need to renew your license and pay E&O insurance before 11:59 pm on March 31.

### **Place your license in escrow:**

If you are placing your license in escrow, complete the escrow request online through Online Licensing Services. **Your principal broker must release your license before you have this option.** Simply click "[place my license in escrow](#)" and proceed to renew the license. There is a \$10 charge to transfer to escrow in addition to your renewal fee of \$60.

## **13. What if I need to activate my license from escrow during March?**

You must complete your required continuing education and submit Form #200 (completed by your principal broker) and a check for \$10 plus E & O for the month of March. You will then need to login to Online Licensing Services and renew your license. Be sure to renew your license by March 31.

If you cannot complete these requirements in time, you should renew your escrow license and then submit your information after you have completed license renewal for this year.

## **14. What if I already renewed my escrow license and I want to activate it in March?**

You must complete your required continuing education and submit Form #200 (completed by your principal broker) and a check for \$10 plus E & O for the month of March and the full year.

## **15. What if I already renewed my active license and I want to place my license in escrow?**

Please ask your principal broker to release your license online. Then login to the Online Licensing Services and select "[move to escrow](#)." You will have to pay \$10 online to place your license in escrow.

**16. I am a principal broker and I found a new applicant listed on my list of licensees. This is incorrect, what should I do?**

If your new applicant applied for their initial license in March, they will be issued a license for the new year and their status should show as **renewed**. During processing, the applicant's status may show as **not renewed** at a certain time or it may not list their name. Once the Commission staff has completed the daily reconciliation of payments, the applicant will be posted and their status will then show as **renewed**. Please check again the next day. If the applicant still shows as not being renewed, contact the Commission. If the new applicant applied for a license on or before February 28, their license was issued for the previous year. They are required to renew in March like any other licensee.

**17. What is E & O Insurance?**

**If you have further questions about E & O insurance please contact Shelly Saffran at [shelly.saffran@ky.gov](mailto:shelly.saffran@ky.gov)**

E & O stands for Errors and Omissions insurance. All real estate licensees who are actively licensed in Kentucky are mandated under KRS 324.395 to carry and maintain E & O insurance to cover activities under their real estate license. The Kentucky Real Estate Commission has a contract with an insurance provider for a group policy in accordance with KRS Chapter 45A. The group policy shall be available to all licensees with no right on the part of the insurance provider to cancel any licensee under the group program. There are exclusions to the group program which can be found in 201 KAR 11:220. Licensees also have the option of obtaining E & O insurance independently, as long as the coverage contained in the policy and the financial condition of the insurance company complies with the minimum requirements as established in 201 KAR 11:220.

**18. Who is required to carry E & O insurance?**

**All** active licensees must maintain E & O insurance.

**19. Do I have to have E & O insurance if I am in escrow?**

No. However, the group E & O insurance is a claims made policy. This means, that if a licensee does not have E & O insurance when a claim is filed, the licensee will not be insured. Licensees with expiring policies who are placing their license in escrow may want to purchase an Optional Extended Reporting Period Endorsement. This is often referred to as "tail coverage."

## **20. How can I obtain E & O insurance?**

- a. E & O insurance can be purchased through the Commission Group E & O provider by selecting "yes" for Commission Group E & O insurance on the Commission online renewal system. The Board group E & O coverage will be offered by Rice Insurance Services Company, LLC. If you would like additional information on the program and/or optional coverage, please visit RISC's website at [www.risceo.com](http://www.risceo.com) or call them at (800) 637-7319.);

**OR**

- b. Through a private E & O provider. If you obtain your E & O insurance through a private provider, be sure the coverage meets the minimum requirements of 201 KAR 11:220 as described in the following question and answer.

## **21. Are there any specific items that I need to know when purchasing private E & O?**

E & O insurance must meet the minimum requirements set out in 201 KAR 11:220. The following is a list of the minimum requirements.

- a. It must be obtained from an insurance company with a B+ or better rating from the A.M. Best Insurance Rating Service.
- b. It must have a limit of liability of no less than \$100,000 per claim.
- c. The deductible may not exceed \$2,500 for judgment or settlement per claim and \$1,000 for the cost of investigation and defense per claim.
- d. The annual aggregate must be either none or no less than \$1,000,000 per licensee on an individual policy. However, a principal broker who purchases independent "firm coverage" shall certify the following aggregate amounts: \$1,000,000 for firms with 1 – 40 licensees; or \$2,000,000 for firms with 41 or more licensees.

## **22. How do I determine what insurance is best for me?**

If you are a principal broker, you should review the Commission group policy and available private E & O insurance policies and compare them to the needs of your company. If you are an active sales associate or broker, you should first check with your principal broker to verify their firm requirements for coverage. However, the KREC does not require that everyone in a particular firm carry the same policy with the same provider.

## **23. I have a private E & O policy what do I do?**

Principal brokers are required to submit private E & O certificates of coverage to the Commission via Online Licensing Services. During the online registration and renewal process, the principal broker will be able to select the type of coverage they will be utilizing. The principal broker will be asked if they will be purchasing Commission insurance. Once they select "**no**" they will be able to submit their E & O information.

The following items must be submitted through Online Licensing Services for private E & O insurance in **PDF** format in a single document.

1. A certificate of coverage form #500; and
2. An alphabetized list of all licensees covered by the private E & O policy. (You will find a list of licensees with your firm on the License Verification tab and within the Online Licensing Services. You can copy this list and submit it with form #500. Be sure to compare this list with your insurance to be sure all licensees listed are covered.)