



Department of Business Regulation

1511 Pontiac Avenue
Cranston, RI 02920

Insurance Bulletin Number 2006-6

Errors and Omissions Insurance Required of Resident Insurance Producers

Effective January 1, 2007, pursuant to R.I.G.L. § 27-2.4-23 resident insurance producers are required to carry and maintain errors and omissions insurance coverage as a condition of obtaining and retaining their insurance producer license. Individual resident insurance producers may satisfy this requirement with a policy in the name of the licensed firm/business entity insuring each licensee employed by the firm. Licensees are required to maintain copies of all errors and omissions policies and shall make the information available to the public and the Rhode Island Insurance Division upon request. Licensees should not furnish the errors and omissions policies to the Department unless specifically requested.

The failure to carry and maintain errors and omissions insurance may result in the suspension or revocation of the resident insurance producer license. The statute does not prescribe any minimum limits for the errors and omissions insurance and producers should use their best judgment in the purchase of the policy. The errors and omissions requirement does not apply for those individual resident insurance producers that are employed directly by an insurance company. The phrase "directly by an insurance company" means a producer who is actually employed by one insurance company or insurance company group.

Joseph Torti III
Associate Director and Superintendent of Insurance
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