

Alaska Association of REALTORS
Industry Issue Key Work Group
November 18, 2010

Minutes

The teleconference meeting was called to order at 10:00 am by Chairman Dave Somers.

Present:

Dave Somers	Don McKenzie	Helen Jarratt	Art Clark
Glenda Feeken	Amy Krier	Ruth Blackwell	PeggyAnn McConnochie
Grant Shields	Joni Schneider	Janice Strong	Debra Leisek
Anita Bates	Wendy Chamberlain		

The Committee reviewed the proposed regulations for the Errors and Omissions Insurance. Two areas were discussed and the Association will submit written comments to the Division of Corporations, Business and Professional Licensing regarding these issues.

1. Amount of the Deductible – The regulations deductible amount is \$2,000. Offices with equivalent coverage have deductibles as high as \$10,000. This will need to be taken into consideration and will recommend offices on equivalent coverage can have deductibles as high as \$10,000.
2. Grace Period to get coverage – If the mandatory E & O Insurance is required, everyone would need to have a policy immediately. The way the regulations currently read, this would put offices that have no coverage in violation. There should be a grace period of 90 days for offices to obtain coverage and there should be some type of notification process.

If was recommended to put section 12 AAC 02.530, Equivalent coverage at the end of the regulations.

The Committee discussed the issue of small broker/office supervision. The issues that are of concern and need to be clarified are when another broker is watching files and dealing with clients and writes a contract on the forms of the broker that is away; and what to do is the broker is out of touch.

At the December meeting of the Alaska Real Estate Commission, they will address the draft of 12 AAC 64.078 Temporary Absence of Broker of Record.

The draft states:

1. When a broker of record is temporarily absent from an office, the broker of record may supervise transactions, trust accounts and/or licensees by computer, modem, facsimile or telephone communications.
2. When a broker of record is temporarily absent from an office and is unable to supervise transactions, trust accounts and/or licensees:

- a. In offices where an associate broker is available, the broker of record may designate an associate broker to supervise transactions, trust accounts, and/or licensees during the broker of record absence.
- b. In offices where an associate broker is NOT available, the broker of record may enter into a written contract with another broker to supervise transactions, trust accounts and/or licensees during the broker of record's absence. The broker temporarily substituting for the broker of record shall remain employed at his/her registered office.
- c. In either A or B above, the broker of record shall notify the commission on a form approved by the commission, of the name of the associate broker or broker designated to supervise transactions, trust accounts and/or licensees during the broker of record's absence. Both the broker of record and the designated associate broker or broker must sign the form. Requirements of 08.88.396 (licensee relationships, disclosure and activity) must be complied with.

2011 Legislative Priorities

Lobbyist Wendy Chamberlain indicated that Representative Kurt Olsen would introduce the sprinkler bill in the 2011 session and it will contain the same language as the original bill.

Wendy reported that Dan Sullivan, current Attorney General was appointed as commissioner of Department of Natural Resources and Becky Haltberg is the Commissioner of Administration.

She informed the committee that the gas pipeline will be a top priority in Juneau this year and several senators and representatives are committed to seeing it move forward.

PeggyAnn McConnochie and Anita Bates informed the committee that they were both interested in serving on the Alaska Real Estate commission.

The meeting was adjourned at 10:45 am.