

Additions to REIX Errors and Omissions Policy

Dear Subscribers,

REIX strives to ensure our Subscribers, you, have Errors and Omission coverage that protects you in the event of a claim while educating on best practices to avoid practice pitfalls. At times, this means a change to your Errors and Omission coverage and we would like to announce the addition of a new clause to the Policy which affects commercial agents who perform economical analysis projections.

The Advisory Board of REIX approved the addition of the following to the REIX Errors and Omissions Policy:

1.14.1 ECONOMIC RETURN LOSSES: (Definition)

Economic Return Losses are Damages that arise directly from analyses, estimates or forecasts by insured of profitability, return on capital or investment, income generation or economic return

2.4.1 ECONOMIC RETURN LIMIT: New Clause Subject to clauses 2.3 and 2.4, the limit of Damages REIX will pay for Economic Return Losses is \$500,000.00.

As you know, RECA (the Alberta Regulator) considers financial analysis part of providing competent service for commercial practitioners. This expectation was communicated by RECA and poses a potential financial risk to the program. The decision to include a sublimit clause on financial analysis claims was a measured approach by the Board to mitigate risk and exposure while still providing Subscribers with the coverage they have come to expect from REIX.

What this means is if you are subject to a claim pertaining to an alleged error when providing financial analysis, the maximum amount of coverage is \$500,000.00 compared to the \$1,000,000.00 provided for claims relating to other practices. Keep in mind, you are required to be authorized and educated as a commercial professional by the Regulator to perform economical return projections.

If you are providing services for which you are not licensed, you will not be covered by the Policy. If you have any questions about the revisions, please contact Dave de la Ronde or Lisa Sabo at (403) 228-2667 or by email ddelaronde@reix.ca or lsabo@reix.ca.

Thank you.