

REDLINE

**DEPARTMENT OF REGULATORY AGENCIES
DIVISION OF REAL ESTATE
COMMUNITY ASSOCIATION MANAGERS
4 CCR 725-7**

**EMERGENCY RULES
June 19, 2019**

~~D RULES – RENEWAL, TRANSFER, INACTIVE LICENSE, REINSTATEMENT AND INSURANCE~~

~~D-1) Initial license renewal. REPEALED (Effective June 30, 2019)~~

- ~~1) An initial CAM license will be issued for a period commencing on the issuance date and expiring on June 30th following the date of issuance.~~
- ~~2) An apprentice license will be issued only for a period commencing on the issuance date and expiring one (1) year following the date of issuance. An apprentice license is non-renewable.~~
- ~~3) A provisional license will be issued only for a period commencing on the issuance date and expiring on December 31, 2015. No provisional license will be issued after December 31, 2015.~~

~~D-2) Annual renewal. REPEALED (Effective June 30, 2019)~~

~~— The license renewal period begins May 1st of each calendar year and ends June 30th of each calendar year. Licensees who renew their license may only do so if they are compliant with all provisions of the Act and the Director rules.~~

~~D-3) Inactive license request. REPEALED (Effective June 30, 2019)~~

~~— A licensee may request that the Division's records show their license inactive until proper request for reactivation has been made, or until their license has expired.~~

~~D-4) Inactive license must be renewed. REPEALED (Effective June 30, 2019)~~

~~— A CAM whose license is on inactive status must apply for renewal of such inactive license and pay the regular renewal fees.~~

~~D-5) Reinstatement. REPEALED (Effective June 30, 2019)~~

~~— A licensee with an expired license may choose to reinstate his or her license. The reinstatement period begins July 1st of each calendar year immediately following the expiration and ends on June 30th of each calendar year. Individuals who reinstate their expired license may only do so if they are compliant with all provisions of the Act and the Director rules. The fee to reinstate will be by payment of the reinstatement fee equal to one and one-half the regular renewal fee. Any person who fails to apply for reinstatement within one year after expiration of a license will be treated as a new applicant for licensure.~~

~~D-6) Renewal or reinstatement using method approved by Director. REPEALED (Effective June 30, 2019)~~

~~— A CAM may renew or reinstate their license online or by submitting a renewal or reinstatement application form provided by the Division or by other methods acceptable to the Director.~~

~~D-7) Renewal and reinstatement fees are non-refundable. REPEALED (Effective June 30, 2019)~~

~~— All fees paid for the renewal or reinstatement of a license are non-refundable.~~

~~D-8) Form and fees required to change license. REPEALED (Effective June 30, 2019)~~

~~— No change in license status will be made except in a manner acceptable to the Director to effect such change and upon payment of the statutory fees for such changes.~~

~~D-9) Errors and omissions (E&O) insurance requirements. REPEALED (Effective June 30, 2019)~~

- ~~Every active licensed CAM company and licensed sole proprietorship must have in effect a group policy of errors and omissions insurance to cover all acts requiring a license.~~
- ~~1) CAM companies and licensed sole proprietorships must obtain errors and omissions group coverage from an insurance carrier subject to the following terms and conditions:
 - ~~a) The insurance carrier is licensed and authorized by the Colorado Division of Insurance to write policies of errors and omissions insurance in this state and is in conformance with all Colorado statutes.~~
 - ~~b) The insurance carrier maintains an A.M. best rating of "A-" or better.~~~~
 - ~~2) The group policy, at a minimum, must comply with all relevant conditions set forth in this Rule D-9 and the insurance carrier so certifies in an affidavit issued to the insured in a form specified by the Director and agrees to immediately notify the Director of any cancellation or lapse in coverage. Coverage must provide, at a minimum, the following:
 - ~~a) The contract and policy are in conformance with this Rule D-9 and all relevant Colorado statutory requirements.~~
 - ~~b) Coverage for all acts for which a Community Association Manager license is required, except those illegal, fraudulent or other acts which are normally excluded from such coverage.~~
 - ~~c) Coverage is for not less than \$ 1,000,000 per covered claim, with an annual aggregate limit of not less than \$ 1,000,000. Costs of investigations and defense must be outside of these limits and are subject to their own per claim and aggregate limits.~~
 - ~~d) Payment of claims by the provider will be on a first dollar basis and the provider will look to the insured for payment of any deductible.~~
 - ~~e) Coverage contains a deductible no greater than \$ 5,000. If however, a deductible of greater than \$ 5,000 is requested by the CAM company or licensed sole proprietorship, any such deductible sum exceeding \$ 5,000 may be satisfied by the CAM company or licensed sole proprietorship by depositing such sums in an insured savings account or a certificate of deposit issued by a state or national bank, credit union or savings and loan association doing business in this state. Any such savings account, deposit, or certificate of deposit must be in the amount specified by the Director and must be assigned to the Colorado Division of Real Estate, Department of Regulatory Agencies for the use of the people of the State of Colorado. The CAM company or sole proprietorship will provide proof of any such account or deposit in or certificate of deposit to the Director upon request.~~
 - ~~f) That the provider of the policy has executed an affidavit in a form or manner specified by the Director attesting that the policy is in force and, at a minimum, complies with all relevant conditions set forth herein and that the provider will immediately notify the Director in writing of any cancellation or lapse in coverage of any policy.~~~~
 - ~~3) Each CAM company and sole proprietorship applying for licensure, activation, renewal or reinstatement must certify compliance with this Rule D-9 and § 12-61-1004, C.R.S., on forms or in a manner prescribed by the Director. Any CAM company or sole proprietorship who so certifies and fails to obtain errors and omissions group coverage or who fails to provide proof of continuous coverage directly to the Director, will be placed on inactive status and all licensees operating under such policy will placed on inactive status:
 - ~~a) Immediately, if certification of current insurance coverage is not provided to the Director; or~~
 - ~~b) Immediately upon the expiration of any current insurance when certification of continued coverage is not provided.~~~~

~~D-10) Crime fidelity insurance requirements. REPEALED (Effective June 30, 2019)~~

- ~~Every active licensed CAM company and licensed sole proprietorship must have in effect a crime fidelity insurance policy covering the dishonest acts of all employees in the CAM company or sole proprietorship.~~
- ~~1) CAM companies and licensed sole proprietorships must obtain crime fidelity coverage from an insurance carrier or be named as an additional insured on the common interest community's fidelity insurance policy, subject to the following terms and conditions:
 - ~~a) The insurance carrier is licensed and authorized by the Colorado Division of Insurance to write policies of crime fidelity insurance in this state and is in conformance with all Colorado statutes.~~
 - ~~b) The insurance carrier maintains an A.M. best rating of "A" or better.~~~~
 - ~~2) The policy, at a minimum, must comply with all relevant conditions set forth in this Rule D-10 and coverage must provide, at a minimum, the following:
 - ~~a) The contract and policy are in conformance with this Rule D-10 and all relevant Colorado statutory requirements.~~
 - ~~b) Coverage is exclusive to covering acts contemplated under the current Act and the Director rules.~~
 - ~~c) Coverage for each common interest community managed, must not be less in aggregate than two months of current assessments plus reserves, as calculated from the current budget of the common interest community, or such higher amount as the common interest community may require in its bylaws or management contract with the CAM company or licensed sole proprietorship. This coverage includes, but is not limited to, any CAM company, sole proprietorship, or designated manager that controls or disburses funds of the common interest community, or that is authorized to sign checks on behalf of the common interest community. Costs of investigations must be outside of these limits and are subject to their own per claim and aggregate limits.~~
 - ~~d) Payment of claims by the provider will be on a first dollar basis and the provider will look to the insured for payment of any deductible.~~
 - ~~e) Coverage contains a deductible no greater than one (1) percentage point of the total face amount of the policy.~~
 - ~~f) That the provider of the policy or its designated agent has executed an affidavit in a form or manner specified by the Director attesting that the policy is in force and, at a minimum, complies with all relevant conditions set forth in these Director rules.~~~~
 - ~~3) Each CAM company and sole proprietorship applying for licensure, activation, renewal or reinstatement must certify compliance with this Rule D-10 and § 12-61-1004, C.R.S., on forms or in a manner prescribed by the Director. Any CAM company or sole proprietorship who so certifies and fails to obtain fidelity coverage or to provide proof of continuous coverage directly to the Director, will be placed on inactive status and all licensees operating under such policy will be placed on inactive status:
 - ~~a) Immediately, if certification of current insurance coverage is not provided to the Director; or~~
 - ~~b) Immediately upon the expiration of any current insurance when certification of continued coverage is not provided.~~~~