

WAC 208-680-320 Errors and omissions insurance. (1) **What errors and omissions insurance must I carry?** You must carry an errors and omissions policy in the minimum aggregate amount of fifty thousand dollars or provide the department with a cash or securities alternative as described in subsection (2) of this section. Either a bond or the cash or securities deposit must be maintained until you have closed your office, all of your accounts have been reconciled, and all balances are zero.

(2) **If I want to use a securities alternative to the errors and omissions bond requirement in RCW 18.44.201 (1)(b), what are the requirements?**

(a) Cash used as an alternative to the errors and omissions insurance requirement requires a cash deposit of fifty thousand dollars made in a recognized Washington state depository which account is maintained separate and apart from the escrow agent's own funds. The funds shall be deposited in such a manner to permit only the director to withdraw from the principal amount. The escrow agent may withdraw any interest accumulated to the account.

(b) Securities used as an alternative to an errors and omissions policy must be effectively delivered to the director along with a properly executed irrevocable assignment and any supporting documentation as required by the director.

(c) Only those securities that meet the definition of "investment securities" under chapter 208-512 WAC may be used to satisfy RCW 18.44.201. Securities issued by the licensed escrow agent or its affiliates are not acceptable securities for the purposes of fulfilling the requirements of RCW 18.44.201.

[Statutory Authority: RCW 43.320.040 and 18.44.410. WSR 13-24-022, § 208-680-320, filed 11/22/13, effective 1/1/14. Statutory Authority: RCW 43.320.040 and chapter 18.44 RCW (as amended by 2010 c 34). WSR 10-20-124, § 208-680-320, filed 10/5/10, effective 11/5/10.]