



Real Estate Council of Ontario

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## INSURANCE SUSPENSION - FREQUENTLY ASKED QUESTIONS

Date: July 2010

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### **When do suspensions for non-payment of insurance fees become effective?**

The Registrar will initiate the suspension process for each registrant who has failed to make the required payment by the due date of August 13, 2010.

***Insurance suspensions will take effect at 12:01 a.m. on September 1, 2010 as required by the Real Estate and Business Brokers Act, 2002 (REBBA 2002).***

### **How does the suspension process affect me, a salesperson or broker?**

If you fail to make your insurance payment by August 13, 2010, a Notice of Suspension of Registration will be sent to you by registered mail. A notification of your impending suspension will also be sent to your broker of record. Your suspension will take effect on September 1, 2010. You are not entitled to trade in real estate while your registration is under suspension. The suspension of your registration becomes part of your permanent record. Your suspension status will be made available to the public on RECO's website.

### **I do not want my registration suspended, what are my options?**

Participation in the insurance program is a requirement of your registration with RECO. There is no provision under REBBA 2002 for an individual to maintain "non-active" status. If you wish to maintain your registration, you must make the required insurance payment.

If you do not wish to maintain your registration you may terminate your registration.

### **How do I terminate my registration and avoid the suspension process?**

To terminate your registration, submit a completed "Notice of Employee Change: Termination" registration form plus a copy of a resignation or termination letter verifying the date of termination of your registration. You may wish to provide the completed documentation to RECO's registration department prior to August 13, 2010 to avoid the suspension process. Registration forms can be found in the Publications & Resources section of RECO's website.

### **How do I reinstate my registration?**

You will have up to two years from the date of termination of your registration to reinstate your registration. At that time you will be required to submit a "New/Reinstatement: Broker/Salesperson" registration form together with the prescribed registration and insurance fees; you will also be required to comply with the requirements of the Continuing Education Policy.

### **How do I revive my registration?**

To revive your suspended registration you will be required to pay the outstanding insurance amount. Upon payment, your registration will be revived for the unexpired balance of your registration cycle. Your registration renewal date will not change. A notice of the revival of your registration will be sent to your attention by regular mail. A copy of the notice will be sent to the attention of your broker of record.

### **What happens if a broker of record is suspended for non-payment of insurance fees?**

Once the broker of record has been suspended effective September 1, 2010, the brokerage will be required to appoint a broker of record in compliance with REBBA 2002 by September 5, 2010. If the brokerage does not comply with the broker of record requirement under REBBA 2002, RECO will issue a proposal to revoke the registration of the brokerage. A notice will be sent to the

salespersons and brokers employed by the brokerage advising them they are not entitled to trade in real estate. The suspended status of the brokerage, salespersons and brokers will be made available on RECO's website.

**What happens if a sole proprietor is suspended for non-payment of insurance fees?**

RECO will issue a proposal to revoke the registration of the sole proprietor effective September 1, 2010. A notice will be sent to the salespersons and brokers employed by the sole proprietorship advising them they are not entitled to trade in real estate. The suspended status of the sole proprietorship, salespersons and brokers will be made available on RECO's website.

**What happens to the employees of a suspended brokerage or sole proprietorship?**

Salespersons and brokers employed by brokerages or sole proprietorships under suspension will be advised that they are not entitled to trade in real estate.

**Why are suspension notices delivered by registered mail?**

Suspension notifications are delivered to individual registrants via registered mail in compliance with REBBA, 2002. Copies of suspension notifications will be delivered to brokers of record via regular mail.

**What are the consequences of continuing to trade in real estate while suspended?**

Trading in real estate without registration is an offence under REBBA 2002. A person found guilty of such an offence is liable to a fine of up to \$50,000 or to imprisonment for a term of up to two years less a day, or to both.