RECO
Real Estate Council of Ontario

2026 Insurance Program

Frequently Asked Questions

June 29, 2026

Administration

What is the insurance program?

The professional liability insurance program administered by RECO provides Errors and Omissions, Commission Protection, and Consumer Deposit insurance coverage relating to the trade in real estate. Participation in the program is a requirement for registration under the Trust in Real Estate Services Act, 2002 (TRESA). The insurance term is a one-year cycle starting September 1 until August 31. The annual insurance fee plus applicable taxes for the September 1, 2026, to August 31, 2027, insurance term is $500 per salesperson or broker, the same price since 2022.

This program does not include personal lines insurance such as home, auto, or wellness insurance programs.

You can learn more about the program by reading About the professional liability insurance program administered by RECO.

Can I park my registration?

No provision under TRESA permits a “parked” or “non-active” registration status. You must be registered to trade in real estate in Ontario, which involves renewing your registration every two years, fulfilling all education requirements, and paying your yearly insurance renewal payment. If you do not fulfill these requirements, your registration will be terminated. If you plan to leave the business, consider terminating your registration before renewing your insurance policy. Insurance payments are non-refundable.

Have your broker of record or branch manager complete the termination process for you on MyWeb prior to August 14, 2026, to avoid becoming part of the suspension process. See RECO’s website for further details.

If you decide to return to your career in real estate, you have 24 months from the date of termination to reinstate your registration. You will be required to complete your educational requirements, submit a “Reinstatement Salesperson Registration Application” or “Reinstatement Broker Salesperson Application” found in the “online applications” section on MyWeb, and pay the prescribed registration and insurance fees.

Insurance payments are non-refundable because, after September 1, the insurer considers the insurance payment earned, partly because your Errors and Omissions insurance policy continues to cover you, at no extra cost, from the date of your leaving the business for claims resulting from activities while you were registered (subject to the terms of the insurance policy).

If your registration is suspended or you cease to be registered with RECO for any reason, your insurance coverage immediately lapses. You are not covered under the professional liability insurance program while your registration is suspended or terminated.

Is the invoice payment date the same as my insurance policy term renewal date?

No. Insurance payments are due in mid-August of each year. The annual policy term is effective from September 1 to August 31 of the following year. RECO is responsible for coordinating payment to the insurer on behalf of over 100,000 registrants for the policy period starting each September 1.

Can I get a refund for my insurance payment if I leave the business for any reason?

Payments for participation in the professional liability insurance program administered by RECO are non-refundable because after September 1, the insurer considers the insurance payment earned, partly because your Errors and Omissions insurance policy continues to cover you, at no extra cost, from the date of your leaving the business for claims resulting from activities while you were registered (subject to the terms of the insurance policy). RECO and the insurer do not track real estate transactions per registrant. Registration with RECO during a policy period is considered to be an exposure to loss by the insurer, therefore the premium is considered earned by the insurer.

Insurance is a requirement of registration, and unless you make your payment you will not be eligible to trade in real estate in Ontario.

Payment

What is the annual insurance fee and Master Insurance Policy Number for the current insurance term?

The total annual amount for the insurance term (Sept. 1, 2026 – Aug. 31, 2027) is $500 including applicable taxes. The Master Insurance Policy Number for the current insurance term (Sept. 1, 2026 – Aug 31, 2027) is: RECO092026-01.

How do I make an insurance payment online?

- Log in to MyWeb
- Your email address or registration number will be your login ID
- Click “Pay Now” under the outstanding payments section of your dashboard
- You must acknowledge that payments are non-refundable in whole or in part
- Follow the instructions on screen and fill in your credit card information

- Click on "Pay Now"
- To create your MyWeb account, visit https://myweb.reco.on.ca and click “Sign Up”

New and Reinstating Applicants

How is the insurance amount calculated for new and reinstating applicants? How do I complete the registration process?

Once your registration application has been reviewed, an email will be sent to the email address on your application requesting payment for coverage under the professional liability insurance program administered by RECO. Your registration application will not be complete until you have made the insurance payment online using MyWeb. Only one insurance invoice is issued per application; the amount due is calculated from the date the application was reviewed until the following August 31.

The annual insurance amount including applicable taxes for the Sept. 1, 2026 – Aug. 31, 2027 insurance term is $500. Insurance payments are non-refundable in whole or in part.

New and reinstating applicants joining the insurance program in July or August will be required to pay the pro-rated insurance amount applicable to the remainder of the Sept. 1, 2025 – Aug. 31, 2026 insurance term (approximately $1.37 per day) plus the annual insurance amount of $500 for the following Sept. 1, 2026 – Aug. 31, 2027 insurance term.

New and reinstating applicants joining the insurance program between Sept. 2, 2026 and June 2027 will be required to pay the pro-rated insurance amount applicable to the remainder of the Sept. 1, 2026 – Aug. 31, 2027 insurance term (approximately $1.37 per day).

RECO’s registration cycle is two years starting from the date of approval of your registration application. The insurance term is a one-year cycle starting each September 1, until the following August 31.

Why do some new and reinstating applicants receive two invoices for insurance payments?

New and reinstating applicants may be invoiced twice: one is a pro-rated amount for the remainder of the Sept. 1, 2025 – Aug. 31, 2026 term and the other one is for the annual insurance term from Sept. 1, 2026 – Aug. 31, 2027.

Insurance is a requirement of registration under TRESA 2002. Your application for registration cannot be completed until all insurance amounts due have been paid. This prevents new/reinstating applicants from being suspended for non-payment of insurance amounts during the insurance renewal process.

My registration has been suspended due to non-payment of insurance amounts. 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. You and your broker of record can also log in to MyWeb to view your insurance status and confirm that your registration has been revived.

Registrants wishing to revive their registrations in the months of July and August will be required to pay the insurance amount owing for the insurance policy term ending midnight August 31 and the annual renewal premium for the following September 1 to August 31 insurance term. This prevents reviving registrants from being suspended for non-payment of insurance during the insurance renewal process.

For brokers of record or sole proprietors, RECO will suspend and propose to revoke the registration of your brokerage if your registration is suspended due to non-payment of insurance on September 1. If you are a broker of record or sole proprietor wishing to revive your registration, please contact RECO for more information.

If your registration is suspended or you cease to be registered with RECO for any reason, your insurance coverage immediately lapses. You are not covered under the professional liability insurance program while your registration is suspended or terminated.

Coverage

How can I found out whether or not I have coverage for a particular incident?

ClaimsPro LP
175 Commerce Valley Drive West, Suite 600
Markham ON L3T 7P6
Tel: 1-877-740-1913
E-mail: info@reco-claims.ca

For general questions relating to the policy wording, please contact the insurance broker:

Alternative Risk Services Inc.
Berkeley Castle, 250 The Esplanade, Suite 302
Toronto ON M5C 2C5
Tel: 1-866-426-1666
E-mail: info@ar-services.ca

Are brokerages covered for the actions of its salespersons?

Yes, the program would cover the real estate brokerage, for which the salesperson works, including any franchisee or franchisor.

Is an unregistered assistant covered under the Errors and Omissions insurance administered by RECO when acting on behalf of a registrant?

Under TRESA 2002, unregistered assistants are not permitted to participate in activities that are considered "trading." As such, they are not covered by the Errors and Omissions insurance policy

administered by RECO for claims that arise out of prohibited activities such as phone solicitations, showing properties, participating in presenting offers or being on site at open houses.

However, the insurance policy may provide coverage for claims against an unregistered assistant (and/or the registrant who may be liable for certain actions of the employee) for activities that are directly or indirectly related to a registrant's real estate trading activities.

For example, if the unregistered assistant makes a typographical error in preparing an Agreement of Purchase and Sale and the error leads to a claim, the insurer may provide coverage directly to the unregistered assistant and/or the registrant, subject to the terms and conditions of the insurance policy.

For a copy of the Errors and Omissions insurance policy administered by RECO please refer to the Insurance Policy document which you can view and download on MyWeb.

E&O insurance covers “negligence”. What happens if the claim results from fraudulent activities?

Fraudulent or dishonest acts are excluded from coverage. However, if such allegations are proven false, then the professional liability insurance program administered by RECO will pay for defense costs. Further, a lawsuit could name a salesperson, the broker of record, and/or brokerage for whom the salesperson works. If the broker and/or brokerage were neither the author nor the accomplice of the fraudulent or dishonest act, the insurance program would cover the broker of record and/or brokerage.

Are all real estate services covered, including appraisal work?

The insurance program's coverage for appraisal services is limited to the following definition:

"Real Estate Appraisal Services" means the provision of a market value opinion by an Insured in the course of providing "Professional Services" provided that a registrant is either the author of the said opinion or has reviewed and approved the opinion but does not include an opinion that is done for the purpose of financing, whether secured or unsecured, or an opinion that is done in the usual course of business by anyone with Accredited Appraiser Canadian Institute (AACI), Canadian Residential Appraiser (CRA), Professional Appraiser (P.App), Professional Valuator (P.Val), or Canadian National Association of Real Estate Appraisers (CNAREA) designations.

Note: Any registrant who provides market value opinions for the purpose of financing and who wishes coverage for this service must purchase a separate policy from his or her own insurance broker or from Alternative Risk Services.

Are mortgage services covered by the policy?

Registrants acting as mortgage brokers are not covered. However, this exclusion does not apply to those who direct a borrower to a source of funding for a fee.

Are property management services covered by the policy?

Claims arising from property management services are not covered in cases where the revenue due to property management services of the insured or insured firm exceeds 35 per cent of the total gross revenue. If total gross revenue for property management exceeds 35 per cent, you may wish to purchase specialty insurance coverage to cover this exposure. Registrants may wish to purchase a separate policy from their own insurance broker or from Alternative Risk Services.

What if there is a claim after I have retired or left the business?

The professional liability insurance program administered by RECO provides automatic coverage for Errors and Omissions claims from the date of retirement or leaving the business for any reason, other than by reason of disciplinary action by RECO, at no additional cost to you.

In the event the Master Policy is cancelled by the insurer(s) for any reason, all coverage under the policy will cease.

Does the insurance cover out-of-province services performed by RECO registrants?

You have insurance coverage for "Professional Services" as defined by the insurance policy for activities that are permissible under the TRESA 2002. If "Professional Services" have been performed outside of Ontario, then you likely do not have any coverage.

If "Professional Services" have been performed in Ontario, subject to the terms and conditions of the policy, you likely have coverage. Each claim will be evaluated on its own facts.

Can I purchase additional insurance coverage such as excess insurance or to cover a situation not covered by the program administered by RECO?

The program offers policy limits of $2 million per claim for Errors and Omissions claims. While this may be sufficient for many registrants, higher limits are available if a registrant feels that additional protection is required.

Registrants can contact their own insurance broker or Alternative Risk Services can assist registrants with obtaining optional excess insurance, which is available to individual sole proprietors or brokerages, upon review and acceptance of an application. An excess policy may "drop down" to become primary insurance in some situations to provide coverage for some activities that are excluded under the professional liability insurance program administered by RECO (e.g. property management Errors and Omissions where a registrant's percentage of revenue exceeds the permissible 35 per cent).

Premiums for this excess insurance start at $750 per policy and increase depending on the scope of services and size of the brokerage.

Does a brokerage have to maintain a commission trust account? What does a registered employee of a brokerage need to know about a commission trust account?

Some real estate boards require brokerages to operate a commission trust account. You may wish to contact your real estate board to determine its requirements.

RECO does not require brokerages to maintain commission trust accounts. RECO does not prevent the operation of a commission trust account.

The insurer encourages the use of commission trust accounts as it provides a source of information during a claims investigation.

Regardless of whether a brokerage operates a commission trust account or not, salespersons and brokers are encouraged to contact RECO and/or ClaimsPro LP (the insurance program claims adjuster) in the event they experience difficulties receiving their commission payments from their brokerages. Each claim event is evaluated individually and subject to the insurance program policy wording. A copy of the policy wording is available on RECO's MyWeb at https://myweb.reco.on.ca.

What are the policy sub-limits related to the Commission Protection coverage under the insurance program?

Commission Protection insurance offers protection in the event of fraud, insolvency or misappropriation of funds by a registrant (e.g. a broker of record). There is a $250 deductible per individual claimant under this coverage. However, the insurance policy contains clauses, which may limit the amount payable if there is a loss. The insurance provides coverage up to a maximum of $200,000 per individual claimant. In the event the sum of all claims made by all registrants against a particular registrant related to an Occurrence (e.g. a brokerage becomes bankrupt) exceeds $4 million, the amount recoverable by each registrant may be pro-rated and limited to a portion of the maximum amount of $4 million of coverage, subject to the terms and conditions of the insurance policy.

Commission claims must be made within a set time period.

Registrants may claim commissions owed to them from the two-year period prior to the date of loss established by the insurer. Once the date of loss is established during the policy period, all commission claims must be reported to the insurer within two years following the date of loss.

Example: *brokerage bankruptcy*

- Date of Loss (i.e. bankruptcy date): Oct. 1, 2025
- Dates from when you can claim lost commission as a result of your brokerage’s bankruptcy: Oct. 1, 2023 – Oct. 1, 2025
- Date by which you must have reported your commission loss claim to the insurance provider: Oct. 1, 2027

For additional information contact the program insurance broker:

Alternative Risk Services Inc.
Berkeley Castle, 250 The Esplanade, Suite 302

RECO

Toronto ON M5C 2C5
Tel: 1-866-426-1666
Email: info@ar-services.ca