

2014 Fall Risk Management Committee Meeting Report

Insurance Program Update: Eric Meyer, Vice President and Program Manager at Victor O. Schinnerer & Co., Inc., a REALTOR Benefits® Partner, updated the committee regarding the trends emerging in the E&O insurance program.

Little Blue Book: Colleen Doyle, NAR Director of Product Management, provided the committee with copies of the new NAR publication entitled “Little Blue Book for REALTORS®”. The guide focuses on professionalism, along with the principles, philosophies, and rules NAR members utilize to succeed in their real estate careers.

RESPA Update: Finley Maxson, NAR Senior Counsel, discussed the new RESPA disclosure forms that take effect August 1, 2015, which include a Loan Estimate form and a Closing Disclosure form. Mr. Maxson also discussed marketing service agreements, stressing that these cannot be exclusive, payment must be based on value of services rendered, the agreement must detail the services provided, and that a written disclosure must be provided to the consumer. Mr. Maxson also discussed affiliated business relationships, including the recent CFBP action against Realty South.

Risk Management Forum: Risk Management Forum Chair Jewell McKinney (TN) reported on the Risk Management Forum, which preceded the committee meeting. The program, titled “Maneuvering the Slippery Slopes of Environmental Pitfalls,” tackled an array of hot-button environmental issues of current concern to real estate professionals. The program was presented in two parts: first, a special presentation by prominent environmental attorney, Sam Boxerman, Partner at Sidley Austin LLP, on hydraulic fracturing, or “fracking;” and second, a panel discussion of distinguished real estate professionals, including Ron Phipps, 2011 NAR president, Hank Lerner, Director of Law & Policy for the Pennsylvania Association of REALTORS®, and Brad Viator, Director of External Affairs for Edison Electric Institute. The panel was moderated by industry lecturer and leader Diane Disbrow, Broker/Owner of Bayshore Agency in New Jersey. The panel discussed valuable risk management tools related to environmental topics including flood plains, flood plain insurance, fracking, the Clean Water Act, storm water, and solar panels.

ARELLO Report: Risk Management Forum Chair Jewell McKinney (TN) reported there were a number of issues coming out of the 2014 ARELLO Annual Meeting held September 17-21, 2014 in Philadelphia, PA. Among the issues discussed were 1) a rise in activity by out-of-state licensees and a request by state regulators to work with NAR to update an information chart detailing states’ approaches to treatment of “out-of-state licensees”; and 2) a survey about states’ internet advertising rules, with a particular emphasis on team advertising. There were also discussions concerning “coming soon listings” and property management issues.


Unmanned Aerial Vehicles: Russell Riggs, NAR Senior Regulatory Representative, provided an overview of the Federal Aviation Administration’s (“FAA”) proposed regulations regarding the use of unmanned aerial vehicles (“UAVs”). The committee considered and reviewed a draft NAR Policy Statement on UAVs. After lengthy discussion, the committee agreed that the policy should: 1) include a statement of NAR’s support for legislation allowing for the commercial use of UAVs; 2) advise NAR members the commercial use of UAVs is prohibited under current FAA regulations; and 3) support regulations that protect national airspace, maintain public safety, and address privacy concerns. The committee also included a statement of NAR’s commitment to working with the FAA and other federal agencies during the regulatory process. A motion to recommend the following draft NAR Policy on UAVs be presented to and approved by the NAR Board of Directors was made, seconded and approved:

NATIONAL ASSOCIATION OF REALTORS® POLICY:
UNMANNED AERIAL VEHICLES

The National Association of REALTORS® advises members that the use of unmanned aerial vehicles for real estate marketing is currently prohibited by the Federal Aviation Administration. Such prohibited use of unmanned aerial vehicles may lead to the assessment of substantial fines and penalties. The National Association of REALTORS® supports efforts to create new federal regulations to allow for the future commercial use of unmanned aerial vehicle technology by the real estate industry. The National Association of REALTORS® is committed to working with the Federal Aviation Administration, and any other relevant federal agencies, during the regulatory approval process. The National Association of REALTORS® will continue its ongoing efforts to educate REALTORS® about the current and future regulatory structure for the safe and responsible operation of unmanned aerial vehicles.

Thank you for the opportunity to serve on the Risk Management Committee.

Respectfully,


Cindy Harvey