

237 CMR: BOARD OF STATE EXAMINERS OF ELECTRICIANS  
AND BOARD OF ELECTRICIANS APPEALS

237 CMR 23.00: INSURANCE REQUIREMENTS FOR LIMITED LIABILITY CORPORATIONS  
AND LIMITED LIABILITY PARTNERSHIPS

Section

23.01: Liability Insurance Requirements for Limited Liability Corporations and Limited Liability Partnerships

23.02: Cancellation of Insurance

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23.01: Liability Insurance Requirements for Limited Liability Corporations and Limited Liability Partnerships

A limited liability company and a limited liability partnership which own or operate any facility or business which is licensed by the Board to provide electrical services shall maintain professional liability insurance which meets the following minimum standards:

- (a) The insurance shall cover negligence, wrongful acts, errors and omissions and insure the LLC and its officers or the LLP and its partners as required by M.G.L. c. 156C, § 65 and M.G.L. c. 108A, § 45(8)(a), respectively.
- (b) For each claim concerning an LLC, the minimum insurance coverage shall be either:
  - 1. in an amount of at least \$50,000.00 multiplied by the number of individual licensees employed by or who are officers of the LLC; or
  - 2. in an aggregate amount of at least \$150,000.00 multiplied by the number of individual licensees employed by or who are officers of the LLC.
- (c) For each claim concerning an LLP, the minimum insurance coverage shall be:
  - 1. in an amount of at least \$50,000.00 multiplied by the number of individual licensees employed by or who are partners of the LLP; or
  - 2. in an aggregate amount of at least \$150,000.00 multiplied by the number of individual licensees employed by or who are partners of the LLP.
  - 3. An LLP shall be considered to have complied with the requirements of 237 CMR 23.01(1)(c) if the partnership provides for the above-specified amount of funds specifically designated and segregated for the satisfaction of judgments against the partnership or its partners based on negligence, wrongful acts, errors and omissions by:
  - 4. deposit in trust or in bank escrow of cash, bank certificates of deposit, or United States Treasury obligations; or
  - 5. a bank letter of credit or insurance company bond.
- (d) The insurance coverage required by this section may provide that it does not apply to any dishonest, fraudulent, criminal or malicious act or omission of the insured LLC or any employee or officer thereof or the insured LLP or any employee or partner thereof.

23.02: Cancellation of Insurance

(1) Cancellation or any other interruption in required insurance coverage shall require an LLC or LLP to immediately cease the business of electrical work until such time as the LLC or LLP is in compliance with this section.

(2) An LLC or LLP must notify the Board within five business days if its insurance coverage is cancelled or otherwise interrupted. Failure to provide the required notice to the Board will subject to disciplinary action pursuant to M.G.L. c. 112, § 59 licensees who are officers of the LLC or are partners of the LLP.

23.03: Verification of Insurance

An officer of an LLC or a partner of an LLP may be required to provide verification of compliance with 237 CMR 23.03 to the Board when he or she seeks initial licensure, renewal of a license or at any other time as requested by the Board.

REGULATORY AUTHORITY

237 CMR 23.00: M.G.L. c. 156C, § 65.

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