

**Idaho Real Estate Licensees Errors and Omissions Program**  
**Underwritten by Continental Casualty Company and administered by Rice Insurance Services Company, LLC**

**NOTICE ENROLL BY SEPTEMBER 1, 2011 TO ENSURE TIMELY RENEWAL**

According to Idaho Code Title 54, Chapter 20, active Idaho real estate licensees, including non-residents, must carry and maintain errors and omissions (E&O) insurance to cover all licensed activities as a condition of licensing. **Active firm licensees that are corporations, limited liability companies, or partnerships are required to carry E&O insurance. Firm policies are not required for sole proprietorships.** Licensees may obtain E&O insurance through the Idaho Real Estate Commission's (IREC's) group program. Licensees may also obtain E&O insurance outside of the group program, if the coverage complies with the state's minimum requirements and proof of E&O coverage is provided to the IREC in compliance with state law. If your firm currently has coverage with the IREC's group policy, its coverage will expire on October 1, 2011. The IREC will place your firm's license on inactive status and assess a penalty up to \$5,000 if your firm does not timely obtain or renew coverage.

**ACTIVE** individual licensees are REQUIRED to carry E&O insurance. New licensees must obtain E&O insurance before license activation. As mentioned above, active firm licensees that are corporations, limited liability companies, or partnerships are also required to carry E&O insurance. Firm policies are not required for sole proprietorships. **INACTIVE** licensees are not required to have E&O insurance. However, the policy does not cover claims made after the policy's expiration date or any applicable extended reporting period; thus, licensees who are not renewing their coverage may want to purchase an Optional Extended Reporting Period Endorsement, explained further below. A sample policy and additional information regarding the group program are available at [www.risceo.com](http://www.risceo.com) or by calling us at (800) 637-7319 (ext. 1). All licensees are urged to read the entire policy and examine the portion entitled "Exclusions."

**Enrollment in the Group Program:** Rice Insurance Services Company, LLC (RISC) was selected to provide the IREC's group program. RISC is pleased to offer the group policy, underwritten by Continental Casualty Company, a CNA insurance company, to Idaho licensees. RISC's experience and excellent claims service, combined with CNA's strong financial performance and ratings (rated "A" by A.M. Best), will result in a quality program. The group program provides the required limits of \$100,000 per claim and \$300,000 in the aggregate per licensee with a \$1,000 deductible for damages. The program's one-year premium is \$186 per licensee. The premium is fully earned upon inception and no refunds are permitted after the policy's effective date. Your firm may enroll online or by mail. To enroll by mail, follow the directions on the Enrollment Form on the back of this page. Licensees joining the group program after October may purchase coverage at a prorated premium; please contact RISC for the proper amount.

**Optional Coverages:** The optional endorsements below are available to firm licensees at an additional cost. Your firm can purchase optional coverages when it enrolls online or by mail. Optional endorsements will become effective the later of October 1, 2011, or the date RISC receives the completed Enrollment Form and applicable payment.

- 1) Conformity Endorsement** conforms your firm's policy to comply with requirements of other states where it has an active real estate license and that require firm E&O coverage. (Additional premium required.)
- 2) Franchise Endorsement** adds a franchise group with which you are affiliated to the definition of real estate firm, since some franchise groups require specifically tailored language. Please contact us if you need a franchise endorsement. (No additional premium required.)
- 3) Extended Reporting Period (ERP) Endorsements are available to licensees with coverage under the 2010 group program that are not purchasing coverage under the 2011 group program.** In case of cancellation or non-renewal for any reason, your firm may purchase an ERP Endorsement within 90 days after termination of the 2010 group policy. An ERP Endorsement is important because many E&O claims are not made until years after the underlying transaction occurred. One year, two year, and three year ERP Endorsements are available. (Additional premium required. Please contact us for pricing or to purchase an ERP Endorsement.) ERP Endorsements will also be available for purchase within 90 days of the expiration of the 2011 group policy for licensees with coverage under that policy.

**Claims Made Policy:** This is a claims made policy. Claims must be reported timely in accordance with the policy's requirements or your firm may jeopardize coverage under the policy. There is no coverage for claims first made before the beginning or after the end of your firm's individual policy period. If you or your firm has notice of a claim or potential claim, report it immediately to your firm's current carrier or risk not having coverage for the claim.

**Timely Renewal:** If we have not received your premium by October 1, 2011, the IREC will inactivate your firm's license and impose a fine up to \$5,000 for failure to comply with the mandatory insurance requirement. In addition, your firm will lose prior acts coverage, a valuable feature of the policy. The "retroactive date" of the policy determines if your firm has coverage for acts that occurred prior to the effective date of its policy. The "retroactive date" is the date your firm first obtained and from which has continuously maintained E&O insurance, with no gaps. If your firm fails to purchase coverage timely, call RISC immediately to see if your firm qualifies for reinstatement back to October 1, 2011, which may avoid a gap in coverage and loss of its retroactive date. However, curing a gap in coverage will not remedy noncompliance with mandatory insurance laws. **Always pay your firm's premium on time to protect against uncovered claims and to avoid fines, penalties, and a gap in coverage.**

**IDAHO FIRM LICENSEE ENROLLMENT FORM**

Your firm may enroll in the group program online at [www.risceo.com](http://www.risceo.com) before October 1, 2011 and download its certificate of coverage immediately or enroll by mail. If your firm enrolls by mail, its enrollment must be completed by **September 1, 2011 to ensure** RISC has adequate time to process the enrollment and provide proof of coverage to the IREC. Please note there is a non-refundable \$5.00 convenience fee for online enrollment. To enroll by mail, complete this form (please print or type), including having a qualified firm representative sign the bottom portion, and send it to RISC, along with a check or money order payable to RISC (do not submit your premium to the IREC). Incomplete information may cause a delay in the issuance of coverage. Enrollment is effective when RISC receives your firm's enrollment form and payment. While we will verify coverage with the IREC, it is your firm's responsibility to provide verification to other commissions and entities. Your firm must also provide proof of coverage to the IREC, if it requests that your firm do so. If you have any questions or would like additional information on optional coverages, please visit our website [www.risceo.com](http://www.risceo.com) or call us at (800) 637-7319 (ext. 1).

Applicant's Name: _____	License #(s): _____ / License Type: _____
Firm Name: _____	Email: _____
Firm Address: _____	Telephone # (work): (     )     - _____
City, State, Zip Code: _____	Telephone # (home): (     )     - _____
Social Security # (required for IREC verification): _____	Fax #: (     )     - _____

	Unit Price	Amount Due
<b>Premium:</b> One year (October 1, 2011 to October 1, 2012)	<b>\$186</b>	<b>\$186</b>
<b>Optional Coverage Below:</b>		
<b>Conformity Endorsement:</b> If you are domiciled in Idaho, circle any of the states below where you have an active real estate license. This endorsement is only available to licensees who are domiciled in Idaho.  <div style="text-align: center;">CO   IA   LA</div>	<b>\$15</b> (Regardless of number of states at issuance)	
<b>Add premiums for policy and any optional endorsements</b>	<b>Total</b>	\$ _____

**If the your firm has any knowledge of any act, error, omission, fact, or situation that might give rise to a claim against it, report it in writing immediately to your firm's insurance carrier before your firm's current policy period expires.**

Applicant declares that the above statements are true and that Applicant has not suppressed or misstated any material facts. Applicant understands that it is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits. Applicant agrees that this application shall be the basis of the contract with Continental Casualty Company and that coverage, if written, will be provided on a claims-made basis.

Applicant understands and agrees that the completion of this application does not bind the Company to issuance of a policy. Coverage will be effective no sooner than the day after the postmarked date of the *completed application* (if you have no current coverage) or the expiration date of your current coverage. Please indicate if you are requesting a coverage date other than the day after the postmarked date of the *completed application* (if you have no current coverage) or the expiration date of your current coverage: \_\_\_\_\_

Applicant understands that all premiums are fully earned at policy inception. Applicant is responsible for paying the deductible as set forth in the policy. Applicant hereby agrees to reimburse Continental Casualty Company and RISC for any and all costs and expenses they may incur by employing a collection agency to collect any overdue deductible.

FIRM NAME (please print): \_\_\_\_\_ DATE: \_\_\_\_\_

By: \_\_\_\_\_ (Signature)

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_