

RISC Rice Insurance Services Company, LLC

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

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. 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. The IREC will place your license on inactive status and assess a penalty up to \$5,000 if you do 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. Please contact your broker to verify your firm participates in the group program before submitting your premium. 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 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. You 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.

Additional Coverages: For no additional cost, the policy includes a **Limited Claim Expense Fair Housing Endorsement** that provides coverage for defense costs up to \$2,500 per claim and \$5,000 in the aggregate for covered fair housing/discrimination claims.

The optional endorsements below are also available to individual licensees. Some endorsements require additional premiums, as listed on the Enrollment Form. You can purchase optional coverages when you enroll 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 policy to comply with requirements of other states where you have an active real estate license and that require E&O coverage. (Additional premium required.)
- 2) **Earnest Money/Escrow Deposits Endorsement** provides coverage for defense costs up to \$2,500 per claim and \$5,000 in the aggregate for covered earnest money/escrow deposit claims under certain conditions. (Additional premium required.)
- 3) **Environmental Endorsements** are available to (a) provide coverage for defense costs up to \$2,500 per claim and \$5,000 in the aggregate for covered environmental claims or (b) to provide coverage for damages and defense costs up to \$10,000 per claim and in the aggregate for covered environmental claims (Additional premium required.)
- 4) **Fair Housing Endorsements** are available to provide coverage for damages and defense costs up to (a) \$10,000 per claim and in the aggregate or (b) \$25,000 per claim and in the aggregate for covered fair housing/discrimination claims. (Additional premium required.)
- 5) **Regulatory Complaints Endorsement** provides coverage for defense costs up to \$2,500 per complaint and \$5,000 in the aggregate for a complaint to a real estate regulatory board or commission under certain conditions. (Additional premium required.)
- 6) **Higher Limits Endorsements** increase the policy's limits of liability to (a) \$250,000 per claim and \$500,000 in the aggregate or (b) to \$500,000 per claim and \$1,000,000 in the aggregate. (Additional premium required.)
- 7) **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.)
- 8) **Appraisal Endorsement** is available to active real estate licensees who are also licensed appraisers. This endorsement is not available to, and the policy provides no coverage for, appraisers or appraiser trainees who do not have active real estate licenses. (Additional premium required.)
- 9) **Leasing & Property Management Endorsement** applies to covered claims alleging leasing and property management services, as defined in the policy. (Additional premium required.)
- 10) **Primary Residence Endorsement** provides coverage for the sale or listing of the licensee's primary residence under certain conditions. (Additional premium required.)
- 11) **Extended Reporting Period (ERP) Endorsements are available to licensees with coverage under the 2010 group program who are not purchasing coverage under the 2011 group program.** In case of cancellation or non-renewal for any reason, you 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 you may jeopardize coverage under the policy. There is no coverage for claims first made before the beginning or after the end of your individual policy period. If you have notice of a claim or potential claim, report it immediately to your current carrier or risk not having coverage for the claim.

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

CNA is a service mark and trade name registered with the US Patent and Trademark Office. The program referenced herein is underwritten by Continental Casualty Company, one of the CNA insurance companies. This information is for illustrative purposes only and is not a contract. It is intended to provide a general overview of the products and services offered. Only the policy can provide the actual terms, coverages, amounts, conditions and exclusions. This program is only available in Idaho. ©2011

IDAHO INDIVIDUAL LICENSEE ENROLLMENT FORM

It is faster and easier to ENROLL ONLINE at www.risceo.com and download your certificate of coverage immediately. 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 signing 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 your coverage. Enrollment is effective when RISC receives your enrollment form and payment. While we will verify coverage with the IREC, it is your responsibility to provide verification to other commissions and entities. You must also provide proof of coverage to the IREC, if it requests that you do so. If you have any questions or would like additional information on optional coverages, please visit our website 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
Premium: (Coverage expires 10/1/2012)	Refer to prorated premium chart	\$ _____
Optional Coverages Below:		
Appraisal Endorsement: Available to active real estate licensees who also are licensed appraisers.	\$200	
Conformity Endorsement: 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. CO IA KY LA MS NE NM ND RI SD TN* WY *TN conformity is not available to all licensees due to TN regulations. Contact RISC for more information	\$15 (Regardless of number of states at issuance)	
Fair Housing \$10,000 Endorsement* (\$10,000 per claim/\$10,000 aggregate for damages & claims expenses)	\$15	
Fair Housing \$25,000 Endorsement* (\$25,000 per claim/\$25,000 aggregate for damages & claims expenses) *You can purchase either of the Fair Housing Endorsements above, but not both.	\$24	
Higher Limits of \$250,000 per claim/\$500,000 aggregate: See below for instructions on selecting premium (a) or premium (b).	(a) \$139 or (b) \$214	
Higher Limits of \$500,000 per claim/\$1,000,000 aggregate: See below for instructions on selecting premium (a) or premium (b).	(a) \$314 or (b) \$439	
Premium (a) 75% or more* of your real estate activity income is earned from Residential Sales** and you have had no claims*** in the past 5 years or Premium (b) Less than 75%* of your real estate activity income is earned from Residential Sales** or you have had one or more claims*** in the past 5 years *To determine the percentage of your real estate activity income derived from Residential Sales, divide your income derived from Residential Sales by the amount of your total real estate activity income. **Residential Sales means sales of properties zoned for and occupied exclusively as residences for four families or less. Residential Sales also includes: (1) sales of vacant land, provided the land is zoned for residential use and is not a development project of four or more residences and (2) sales of farm property that will be a buyer's principal residence and where a buyer will derive no more than 25% of total income from farming. Commercial sales and renting, leasing, managing, or appraising residential or commercial property are not Residential Sales. ***A claim made against your firm for your acts is considered a claim against you for purposes of calculating the endorsement premium.		
Leasing & Property Management Endorsement	\$150	
Limited Claim Expenses Coverage Earnest Money Dispute Endorsement (\$2,500 per claim/\$5,000 aggregate for claims expenses)	\$20	
Limited Claims Expenses Coverage Environmental Endorsement* (\$2,500 per claim/\$5,000 aggregate for claims expenses)	\$5	
Environmental Endorsement* (\$10,000 per claim/\$10,000 aggregate for damages & claims expenses) *You can purchase either the Limited Claim Expenses Coverage Environmental Endorsement or the Environmental Endorsement, but not both.	\$35	
Limited Claim Expenses Coverage Real Estate Regulatory Complaints Endorsement	\$15	
Primary Residence Endorsement	\$15	
Add premiums for policy and any optional endorsements	Total	\$ _____

If you have any knowledge of any act, error, omission, fact, or situation that might give rise to a claim against you, report it in writing immediately to your insurance carrier before your 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.

SIGNATURE: _____ DATE: _____
GSL3012 (Ed. 7/11)

Continental Casualty Company
 Real Estate Errors and Omissions Insurance
 Administered by Rice Insurance Services Company, LLC

IDAHO

Prorated Premium Chart
 October 1, 2011 – October 1, 2012

Effective Date of Coverage	Premium
October 2011	\$186
November 2011	\$171
December 2011	\$155
<i>January 2012</i>	\$140
February 2012	\$124
March 2012	\$109
April 2012	\$93
May 2012	\$78
June 2012	\$62
July 2012	\$47
August 2012	\$31
September 2012	\$16

OPTIONAL COVERAGES BELOW: Please note that the optional coverages (other than conformity for other mandated states) are not available for firm licenses. Optional Coverages cannot be prorated.	
Conformity: This extension does not apply if you are a non-resident of Idaho. CO IA LA KY MS NE ND NM RI SD WY	\$15 (Regardless of the number of states at the time of issuance)
Appraisal Endorsement (only applies for active real estate licensees)	\$200
Leasing and Property Management Endorsement	\$150
Limited Claim Expenses Coverage Environmental Endorsement	\$5
Limited Claim Expenses Coverage Fair Housing Endorsement	FREE
Limited Claim Expenses Regulatory Complaints Endorsement	\$15
Environmental Endorsement	\$35
Fair Housing Endorsement (\$10,000 /\$10,000)	\$15
Fair Housing Endorsement (\$25,000/\$25,000)	\$24
Primary Residence Endorsement	\$15
Limited Claim Expenses Coverage Earnest Money Dispute Endorsement	\$20
Higher Limits Endorsement: \$250,000 / \$500,000 (a) At least 75% residential sales* and no claims in past 5 years; or (b) Less than 75% residential sales* and/or claims in past 5 years	(a) \$139 or (b) 214
Higher Limits Endorsement: \$500,000 / \$1,000,000 (a) At least 75% residential sales* and no claims in past 5 years; or (b) Less than 75% residential sales* and/or claims in past 5 years	(a) \$314 or (b) \$439

It is faster and easier to Enroll Online at www.risceo.com.
We can accept credit card payments with a Visa or Mastercard on our secure website.
 Please note that we are unable to accept any payments over the telephone or by fax.

Please send enrollment form with payment to RISC:
 Mailing Address: **P.O. Box 6709, Louisville, KY 40206-0709**
 Physical Address: 4211 Norbourne Blvd, Louisville, KY 40207-4048

Toll-free: (800) 637-7319 Local: (502) 897-1876 Fax: (502) 897-7174 Website: www.risceo.com