

# Iowa Real Estate Errors and Omissions Program

Underwritten by Continental Casualty Company  
and Administered by Rice Insurance Services Company, LLC

## NOTICE

Each real estate agent, broker and firm licensee that is actively licensed in Iowa shall, as a condition of licensing, carry and maintain errors and omissions insurance to cover all licensed activities. Each licensee has the option of obtaining errors and omissions insurance independently, so long as the coverage complies with the minimum requirements established by the Commission. Failure of a license applicant or licensee to carry the errors and omissions insurance required by Iowa Code Section 543B.47, or to timely submit proof of coverage upon Commission request, shall be grounds for the denial of an application for licensure, the denial of an application to renew a license, or the suspension or revocation of a license. If coverage under the group policy is not timely obtained or renewed, or the required coverage is not obtained from another qualified insurance provider, you could be in violation and possibly face disciplinary action by the Commission.

**Enrollment Form for Errors and Omissions Insurance:** Rice Insurance Services Company, LLC (RISC) has an agreement with Continental Casualty Company, one of the CNA insurance companies, to provide the official group program for Iowa licensees. RISC's experience and excellent claims service (specializing in real estate E&O) combined with CNA's strong financial performance and ratings (rated "A" by A.M. Best) ensures a quality program for Iowa licensees. **The one-year premium payment is only \$153.00 per licensee, if you wish to participate in the group program.** Licensees joining the group program after January may pay a prorated premium. After January 1, please contact RISC for the proper premium amount. Late insurance payments may cause a gap in coverage (and cause you to lose the valuable benefit of prior acts coverage) and/or noncompliance with the mandatory insurance requirement.

The group program provides the required limits of \$100,000/\$100,000 per Licensee with no Deductible. **ACTIVE** licensees (brokers, salespersons and firm licensees) are **REQUIRED** to carry E&O insurance. **INACTIVE** licensees are not required to have E&O insurance. However, licensees with expiring policies who are placing their licenses inactive may want to purchase an Optional Extended Reporting Period Endorsement (see below). Before activation of a license, a licensee is required to obtain insurance coverage. Please contact your broker to verify that your company participates in the group plan before sending in your premium. **The premium is fully earned and the policy does not permit refunds after the policy's inception date.**

All policyholders are urged to read the entire policy and examine the portion of the policy entitled "**Exclusions**" for a listing of excluded claims. A copy is available on our website, [www.risceo.com](http://www.risceo.com), or you may call our administrative office at (800) 637-7319, ext. 1. Additional information regarding the group program, including a **Brochure**, a copy of the **Sample Policy** and information about **Free Automatic Endorsements** and **Optional Coverages**, is available on our website, [www.risceo.com](http://www.risceo.com). Information about our **New Enhanced Excess Program for Firms** is sent to each principal broker.

**Optional Coverages Available:** To obtain optional endorsement(s), please indicate your selection(s) on the enrollment form (on back) and enclose the appropriate fee. Endorsements are not available for firm license coverage (except resident firm licensees may purchase the conformity endorsement for another mandated state requiring firm license coverage). Note all payments for coverage must be mailed and made payable to RISC or you may enroll online at [www.risceo.com](http://www.risceo.com).

**Optional Extended Reporting Period (ERP) Endorsement:** is available for licensees currently insured with the Commission's group policy who have placed their license inactive or otherwise have not renewed their coverage. If a licensee retires, places his/her license inactive or allows his/her license to expire, the current policy provides that licensee will be insured for Claims made and reported within ninety (90) days of the expiration dates provided the error or omission that is the basis of the Claim took place after the "Retroactive Date" and before the policy expired. In case of cancellation or non-renewal for any reason, the Insured has the option, upon payment of premium, to purchase up to a three (3) year ERP endorsement within ninety (90) days after the licensee's policy has terminated. An ERP endorsement is important because many professional liability claims are not made until months after the underlying transaction occurred. The fee to obtain an ERP endorsement from January 1, 2012 through January 1, 2013, is \$145 (plus any applicable endorsement premium), a two-year endorsement is \$217.50 (plus any applicable endorsement premium) and a three-year endorsement is \$290 (plus any applicable endorsement premium). Please contact RISC at (800) 637-7319, ext. 1, if you would like to obtain an ERP endorsement.

**Claims Made Policy Form:** The policy is written on a claims made policy form. All Claims must be reported timely or you may violate the conditions of the policy and jeopardize coverage. This policy does not provide coverage for a Claim first made against you before the beginning or after the end of your Individual Policy Period. It also does not provide coverage if, prior to the inception date of the policy, you had a basis to believe that any negligent act, error or omission might reasonably be expected to be the basis of a Claim against you. If you have notice of a potential Claim, report it immediately to your current carrier or risk not having coverage for the Claim.

**Timely Renewal:** Iowa requires that all active real estate licensees carry and maintain errors and omissions insurance. If you do not pay your premium timely, the Commission may place your license on inactive status. In addition, failure to timely renew your coverage may cause you to lose a valuable feature of the group program - **prior acts coverage**. Prior acts coverage is determined by your retroactive date. A claim involving your past acts may be considered for coverage so long as the error, omission or negligent act took place after your retroactive date. Your retroactive date is the date you first obtained errors and omission coverage and have maintained continuous coverage. It is very important that you maintain continuous coverage in order to preserve your retroactive date. Licensees who do not renew their coverage timely may lose any previously established retroactive date. Those licensees will have as an effective date the actual date RISC receives and accepts the premium. If you discover that you have missed timely renewal, call RISC immediately and see if you qualify for reinstatement of your coverage back to the inception of the policy period. This may avoid a break in coverage and loss of your retroactive date. However, this procedure does not impact the licensee's failure to comply with the mandatory insurance guidelines established by the Commission and the licensee may still be subject to penalties and fines. **Always pay your premium on time to avoid a break in coverage, protect yourself from uncovered claims and avoid penalties and fines.**

CNA is a service mark and trade name registered with the US Patent and Trademark Office. The Program reference herein is underwritten by Continental Casualty Company, one of the CNA insurance companies. This information is for illustrative purposes 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. ©2010

# IOWA: 2012 INDIVIDUAL LICENSEE ENROLLMENT FORM

You may return this enrollment form by mail with your payment by **NOVEMBER 20, 2011**

to ensure adequate time to process your enrollment and provide evidence of coverage prior to policy inception.

It is faster and easier to **ENROLL ONLINE** at [www.risceo.com](http://www.risceo.com) and download your Certificate of Coverage immediately.

Please complete the information below. **PLEASE PRINT OR TYPE.** Incomplete information may cause a delay in the issuance of your coverage.

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.

Name:	License: Type: #:	pending <input type="checkbox"/>
Firm:	Email:	
Address:	Telephone #: (     )     -     (w)	
	Telephone #: (     )     -     (h)	
City, State, Zip:	Fax #: (     )     -	
	SS #: _____	(optional)

	<u>Unit Price</u>	<u>Amount Due</u>
<b>Premium (1/1/2012 to 1/1/2013)</b>	<b>\$153</b>	<b>\$153</b>
<b>OPTIONAL COVERAGES BELOW:</b> Please note that the optional coverages (other than conformity for other mandated states) are not available for firm licenses.		
<b>Conformity:</b> Circle all <b>other mandated states</b> where you are licensed and need proof of E&O coverage. This extension does <u>not</u> apply if you are a non-resident of Iowa. <b>Please circle applicable state(s) below:</b> <b>CO ID KY LA MS NE* ND NM RI SD WY **</b> <i>*Nebraska licensees must submit enrollment by <b>November 10, 2010</b> to ensure adequate time to process and provide evidence of coverage.</i> <i>**TN conformity is no longer available to some licensees due to recent changes in TN regulations. Please contact RISC for details about obtaining coverage for your TN license.</i>	<b>\$15</b> (Regardless of the number of states at the time of issuance.)	
<b>Appraisal Endorsement</b> (only applies for active real estate licensees)	<b>\$200</b>	
<b>Environmental Endorsement</b> (\$2,500 per claim/\$5,000 aggregate for damages & claims expenses)	<b>FREE AUTOMATIC</b>	
<b>Environmental Endorsement</b> (\$10,000 per claim/\$10,000 aggregate for damages & claims expenses)	<b>\$15</b>	
<b>Fair Housing Endorsement</b> (\$2,500 per claim/\$5,000 aggregate for damages & claims expenses)	<b>FREE AUTOMATIC</b>	
<b>Fair Housing Endorsement</b> (\$10,000 per claim/\$10,000 aggregate for damages & claims expenses)	<b>\$15</b>	
<b>Limited Claim Expenses Regulatory Complaints Endorsement</b> (\$2,500 per complaint/\$5,000 aggregate for claims expenses)	<b>\$15</b>	
<b>Primary Residence Endorsement</b>	<b>\$6</b>	
<b>Higher Limits Endorsement: \$250,000 Per Claim / \$500,000 Aggregate</b> (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 <i>*Residential Sales means sales of properties of four families or less, zoned for and occupied exclusively as residences. Vacant land sales shall be considered residential sales, provided the land is zoned for residential use and is not a development project of four or more homes. Sales that involve farm property where a buyer would derive no more than 25% of total income from farming and where it is a buyer's principal residence are considered residential sales. Residential sales do not include rental, leasing, appraisal or other non-sales activity involving residential property.</i>	(a) <b>\$65</b> or (b) <b>\$85</b>	
<b>Total (add \$153 premium + optional coverages)</b>		\$ _____

We will verify coverage with the Iowa Real Estate Commission. However, it is your responsibility to provide verification to other commissions and entities. Note all premiums are fully earned at the inception date. After the effective date, no refunds are permitted. All premium payments must be mailed to the address below unless you enroll online. Please allow at least 10 business days for processing.

You may **ENROLL ONLINE** at [www.risceo.com](http://www.risceo.com) and download your Certificate of Coverage immediately. There is a \$5 convenience fee for online enrollment. If you wish to enroll by mail, please make your check or money order payable to: RISC

Mail Enrollment Form and payment to: PO Box 6709, Louisville, KY 40206-0709

Overnight Deliveries to: 4211 Norbourne Boulevard, Louisville, KY 40207-4048

**\*\*\*PLEASE SIGN BELOW\*\*\***

If you have any knowledge of any act, error, omission, fact, or situation that might give rise to a claim against you, it must be reported in writing immediately to your insurance carrier before your current policy period expires.

Applicant declares that the above statements and particulars are true and that Applicant has not suppressed or misstated any material facts, and Applicant agrees that this application shall be the basis of the contract with the 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 below if another coverage date is requested.

Applicant understands that all premiums are fully earned at policy inception. Applicant hereby agrees to reimburse the Company for any and all costs and expenses the Company may incur by employing a collection agency to collect any overdue deductible. The deductible will be billed to you at the time the expense is incurred by the Company.

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.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_