

Louisiana Real Estate Commission Group Errors and Omissions Program
Underwritten by Continental Casualty Company and administered by Rice Insurance Services Company, LLC

NOTICE

Each real estate licensee who is actively licensed in Louisiana shall, as a condition of licensing, carry and maintain errors and omissions (E&O) insurance to cover all licensed activities. Licensees may obtain E&O coverage through the Louisiana Real Estate Commission's (LREC's) group program. Licensees may also obtain E&O insurance independently, provided the coverage complies with the LREC's minimum requirements and the licensee obtains a certificate of coverage, which must be filed with the LREC pursuant to L.A.R.S. §1466. If coverage is not timely renewed or obtained, the LREC will place the license on inactive status on the date the current policy terminates.

To maintain a superior program for the LREC's official group program, Rice Insurance Services Company, LLC (RISC) has an agreement with Continental Casualty Company, a CNA insurance company, to provide its policy to active Louisiana 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) will provide a quality program for Louisiana licensees. If your firm wishes to participate in the group program, the one-year premium of \$184 per licensee is now due. Payment must accompany your firm's license application or renewal and be submitted directly to the LREC. Please contact your broker to verify that your company participates in the group program before submitting your premium. The premium is fully earned upon the policy's inception and no refunds are permitted after that date. Firms enrolling after January may pay a prorated premium.

The group program provides the required limits of liability of \$100,000 per claim and \$300,000 in the aggregate per licensee, with a \$1,000 damages deductible and no deductible for claim expenses. **ACTIVE** licensees (including licensed firms) are **REQUIRED** to carry E&O insurance. Before activation of a license, prospective licensees are required to obtain insurance coverage. **INACTIVE** licensees are not required to have E&O insurance. However, licensees with expiring policies who are inactivating their licenses may want to purchase an Optional Extended Reporting Period Endorsement (see below).

Exclusions: All licensees are urged to read the entire policy and examine the portion of the policy entitled "Exclusions." A sample copy of the policy is available on our website, www.risceo.com, or by calling us at (800) 637-7319, ext. 1, and requesting one.

Higher Limits Available: Limits of liability of \$250,000 per claim and \$750,000 in the aggregate per insured licensee are available by endorsement to **individual licensees**. Individual licensees whose real estate activity is at least 75% residential sales and who have had no claims in the past 5 years may purchase this endorsement for an additional premium of \$100. Individual licensees whose real estate activity is less than 75% residential sales or who have had a claim in the past 5 years may purchase this endorsement for an additional premium of \$150. **This endorsement is not available to firm licensees. Payment for higher limits must be made directly to RISC (not the LREC).** Additionally, we offer firm "excess" policies with limits of liability of \$250,000, \$500,000, and \$1,000,000. Information about higher limits for firms is being sent to principal brokers.

Optional Coverages Available: (1) Conformity Endorsement; (2) Appraisal Endorsement*; (3) Limited Claim Expenses Coverage Environmental Endorsement (Pollution, Microbes, or Fungi); and (4) Limited Claim Expenses Coverage Real Estate Regulatory Complaints Endorsement are available to individual licensees for additional premium. **Firm licensees are only eligible to purchase conformity endorsements for other states that require firm E&O coverage where the firm has an active license.** The other endorsements are only available to individual licensees. To obtain a conformity endorsement, please indicate your firm's selection on the supplementary enrollment form (on back) and enclose the appropriate fee. Endorsements will be effective on the date RISC receives the endorsement premium.

***Appraisal activity has not been covered under the LREC's group policy since January 1, 2008.** Please contact our office at (800) 637-7319, ext. 1, or visit our website, www.risceo.com, to obtain additional information regarding an optional appraisal endorsement.

Enhanced Excess Program for Firms: We offer Louisiana firm "excess" policies with limits of liability of \$250,000, \$500,000, and \$1,000,000. In addition to traditional excess coverage, our excess program automatically offers these key features at no additional cost: (1) **Environmental Hazards Claims** coverage up to a sublimit of \$100,000 for claims against an insured seeking damages and alleging failure to advise of the existence of pollutants, asbestos, radon, or lead and (2) **Discrimination Claims** coverage up to a sublimit of \$100,000 for claims against an insured alleging discrimination in the performance or failure to perform professional services. Additionally, the program offers these optional coverages by endorsement for additional premium: (1) **Residential Ownership** coverage up to a sublimit of \$250,000 for claims related to the sale of residential properties owned or partially owned by the firm's licensees and (2) **Enhanced Lockbox** coverage up to a sublimit of \$50,000 for lockbox claims. The firm's principal broker or officer must complete an excess application form to obtain a quote for firm excess coverage. All the firm's licensees must participate in the group program for the firm to qualify for excess coverage. Please contact us for more information.

Extended Reporting Periods (ERPs): If a licensee who is currently enrolled in the LREC's 2011 group program does not renew, because his/her/its license is retired, inactivated, or allowed to expire, the 2011 group policy will apply to claims made and reported within 90 days of the expiration date, provided the error or omission upon which the claim is based took place after the "Retroactive Date" and before the policy expired. An **Optional ERP Endorsement** is available to licensees who are currently insured with the LREC's 2011 group policy and are not renewing coverage for any reason. An ERP Endorsement may be purchased within 90 days after the licensee's policy expires and extends the reporting period so that the policy applies to claims made 1, 2, or 3 years after the expiration date. An ERP Endorsement is important because many professional liability claims are not made until years after the underlying transaction occurred. Insured licensees with coverage expiring January 1, 2012 may obtain an ERP endorsement for 1 year (\$184 plus any applicable endorsement premium), 2 years (\$276.50 plus any applicable endorsement premium), or 3 years (\$368 plus any applicable endorsement premium). If you have any questions or would like to purchase this coverage, please contact us at (800) 637-7319, ext. 1, or visit our website at www.risceo.com.

Claims Made Policy: This is a claims made policy. All claims must be reported timely or your firm may violate the policy's conditions and jeopardize coverage. You may call our Claims Department at (800) 637-7319, ext. 2, for instructions on reporting a claim. A copy of the Notice of Claim Form is located on our website, www.risceo.com. The policy does not provide coverage for claims first made before the beginning or after the end of the individual policy period (unless an extended reporting period applies). Nor does it provide coverage if, prior to the policy's inception date, you or your firm had a basis to believe that any act, error, or omission might reasonably be expected to be the basis of a claim. If you have notice of a claim or a potential claim, immediately report it to your firm's current carrier or risk not having coverage for the claim.

Timely Renewal: If your firm does not pay its premium timely, **the LREC WILL place its license on inactive status.** Additionally, your firm may lose a valuable feature of the group program - **prior acts coverage**. Prior acts coverage is determined by your firm's retroactive date. A claim involving past acts may be considered for coverage provided the act, error, or omission occurred after your firm's retroactive date. Your firm's retroactive date is the date it first obtained E&O coverage and since which has continuously maintained such coverage, with no gaps. It is very important to maintain continuous coverage to preserve your firm's retroactive date. Licensees who do not renew their coverage timely may lose any previously established retroactive date and their effective date will be the actual date the LREC receives and accepts the premium. If your firm did not renew timely, call RISC immediately to see if your firm qualifies for reinstatement of coverage back to the group policy period's inception. This may avoid a break in coverage and loss of your firm's previously-established retroactive date. However, reinstatement does not impact failure to comply with mandatory insurance guidelines and your firm may still be subject to penalties and fines. **Always pay your firm's premium on time to protect it from uncovered claims and to avoid a break in coverage, penalties, and fines.**

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, a CNA insurance company. 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 Louisiana. ©2012

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Firm Supplementary Enrollment Form

Use This Form for Optional Coverage Endorsements Only

The completed Supplementary Enrollment Form and endorsement premium should be submitted to RISC at the address on the bottom of this form. **DO NOT** send this form with your basic premium payment to the LREC with your license renewal.

Complete the information below. PLEASE PRINT OR TYPE. Incomplete information may cause a delay in the issuance of your insurance. We receive verification of premium payment for basic coverage through the group program from the LREC. It is your responsibility to provide verification to other commissions and entities. *Certificates of Coverage and Optional Endorsements will be mailed after verification of payment of the basic premium has been received from the LREC.* Note all premiums are fully earned at the inception date and no refunds are permitted after that time. 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.

Firm Name: <small>(exactly as appears on license)</small>	License #:
Address:	Email:
City, State, Zip:	Telephone #: () - (w)
DBA Name:	Telephone #: () - (h)
	Fax #: () -
	Tax ID#: - - <small>(optional)</small>
	<small>(Firm license coverage only)</small>

<u>Payment Type</u>	<u>Unit Price</u>	<u>Amount Due</u>
OPTIONAL COVERAGES BELOW:		Pay the optional amounts below to RISC
Conformity: State of Domicile: _____ Circle all other mandated states below where your firm is licensed and needs proof of E&O coverage. Your firm must be domiciled in Louisiana to be eligible for this endorsement. <div style="text-align: center;"> <input type="checkbox"/> CO <input type="checkbox"/> IA <input type="checkbox"/> ID </div>	\$20 <small>(Regardless of the number of states at the time of issuance.)</small>	
Total		\$ _____

Please make your check or money order for Optional Endorsements payable to: RISC
 (We are currently unable to accept check-by-phone, credit card, or online payments.)
All premium payments for Optional Endorsements must be mailed to RISC:
Mailing Address: P.O. Box 6709, Louisville, KY 40206-0709
Overnight Deliveries: 4211 Norbourne Blvd., Louisville, KY 40207-4048

Please submit your basic E&O Premium for the group program directly to the LREC with your firm's license renewal to the following address: Louisiana Real Estate Commission, P.O. Box 14785, Baton Rouge, LA 70898-4785