

Louisiana Real Estate Commission Group Errors and Omissions Program

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

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 and its licensees, 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 you wish to participate in the group program, the one-year premium of \$184 per licensee is now due. Payment must accompany your license application or renewal and be submitted directly to the LREC. Please contact your broker to verify that your company participates in the group plan before submitting your premium. The premium is fully earned upon the policy's inception and no refunds are permitted after that date. Licensees that purchase insurance with an effective date after January 1 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, a prospective licensee must obtain insurance coverage. **INACTIVE** licensees are not required to have E&O insurance. However, licensees with expiring policies who are placing their licenses on inactive status 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 licensee are available to individual licensees by endorsement. 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. **Payment for higher limits must be made directly to RISC (not the LREC).**

Enhanced Excess Program for Firms: We offer Louisiana firm excess policies with limits 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 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 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 licensees of the firm 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 in order to obtain a quote for firm excess coverage. All of the firm's licensees must participate in the group program for the firm to qualify for excess coverage. Please contact us for more information.

Optional Coverages Available: The following endorsements are available to individual licensees for additional premium: (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. Firm licensees may only purchase a conformity endorsement for other states that require firm E&O coverage where the firm is licensed. To obtain optional endorsement(s), please indicate your selection(s) on the supplementary enrollment form (on back) and enclose the appropriate fee. **All payments for optional coverages must be mailed and made payable to RISC (not the LREC).** Endorsements will be effective 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 at www.risceo.com to obtain additional information regarding an appraisal endorsement.

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 you 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 your individual policy period (unless an extended reporting period applies). Nor does it provide coverage if, prior to the policy's inception date, you 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 potential claim, immediately report it to your current carrier or risk not having coverage for the claim.

Timely Renewal: If you do not pay your premium timely, **the LREC WILL place your license on inactive status.** In addition, you may 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 provided the act, error, or omission took place after your retroactive date. Your retroactive date is the date you first obtained E&O coverage and since which have continuously maintained such coverage, with no gaps. It is very important that you maintain continuous coverage to preserve your 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 you missed timely renewal, call RISC immediately to see if you qualify for reinstatement of your coverage back to the group policy period's inception date. This may avoid a break in coverage and loss of any previously-established retroactive date. However, reinstatement does not impact failure to comply with the mandatory insurance guidelines established by the LREC and you may still be subject to penalties and fines. **Always pay your premium on time to protect yourself from uncovered claims and 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

**2012 Louisiana Real Estate Commission Group Errors and Omissions Program
Underwritten by Continental Casualty Company and administered by Rice Insurance Services Company, LLC**

Louisiana Individual Supplementary Enrollment Form

Use this form for optional endorsements, including the increased limits endorsement, only. **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. Please note that Certificates of Coverage and Optional Endorsements will be mailed after verification of payment has been received from the LREC. It is your responsibility to provide verification to other commissions and entities. 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 regarding the group program or optional endorsements, please visit our website, www.risceo.com, or call us at (800) 637-7319, ext. 1.

Name: _____	License #: _____
Firm: _____	Email: _____
Address: _____	Telephone #: () - (w)
	Telephone #: () - (h)
City, State, Zip: _____	Fax #: () -
	SS#: - - (please include at least last 4 digits)

Payment Type	Unit Price	Amount Due																								
OPTIONAL ENDORSEMENTS BELOW: Please note that the optional coverages are not available for firm licensees (other than conformity for mandated states).																										
Conformity: State of Domicile: _____ Circle all other states below where you are licensed and need proof of E&O coverage. You must be a resident of Louisiana to be eligible for this endorsement. CO IA ID KY MS ND NE NM RI SD TN* WY <i>*TN conformity not available to some licensees due to TN regulations. Please contact RISC for details about obtaining coverage for your TN license.</i>	\$20	Pay Premiums for Optional Endorsements to RISC																								
Limited Claim Expenses Coverage Environmental Endorsement – Pollution \$2,500 / \$5,000 (claim expenses only)	\$20																									
Limited Claim Expenses Coverage Environmental Endorsement – Microbes \$2,500 / \$5,000 (claim expenses only)	\$20																									
Limited Claim Expenses Coverage Environmental Endorsement – Fungi \$2,500 / \$5,000 (claim expenses only)	\$20																									
Limited Claim Expenses Coverage Real Estate Regulatory Complaints Endorsement \$2,500 / \$5,000 (claim expenses only)	\$20																									
Appraisal Endorsement: You must have both an active real estate license and an active appraisal license to be eligible to purchase this endorsement. Appraisal License #: _____ <table border="1" style="width:100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td>JAN 2012</td><td>: \$200</td> <td>MAY 2012</td><td>: \$133</td> <td>SEPT 2012</td><td>: \$67</td> </tr> <tr> <td>FEB 2012</td><td>: \$183</td> <td>JUNE 2012</td><td>: \$117</td> <td>OCT 2012</td><td>: \$50</td> </tr> <tr> <td>MAR 2012</td><td>: \$167</td> <td>JULY 2012</td><td>: \$100</td> <td>NOV 2012</td><td>: \$33</td> </tr> <tr> <td>APR 2012</td><td>: \$150</td> <td>AUG 2012</td><td>: \$83</td> <td>DEC 2012</td><td>: \$17</td> </tr> </table>	JAN 2012	: \$200	MAY 2012	: \$133	SEPT 2012	: \$67	FEB 2012	: \$183	JUNE 2012	: \$117	OCT 2012	: \$50	MAR 2012	: \$167	JULY 2012	: \$100	NOV 2012	: \$33	APR 2012	: \$150	AUG 2012	: \$83	DEC 2012	: \$17	Select appropriate amount from chart on left based on month endorsement will first be effective	
JAN 2012	: \$200	MAY 2012	: \$133	SEPT 2012	: \$67																					
FEB 2012	: \$183	JUNE 2012	: \$117	OCT 2012	: \$50																					
MAR 2012	: \$167	JULY 2012	: \$100	NOV 2012	: \$33																					
APR 2012	: \$150	AUG 2012	: \$83	DEC 2012	: \$17																					
Increased Limits \$250,000 Per Claim / \$750,000 Aggregate: See below for instructions on selecting Premium (a) or Premium (b). 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. ***For purposes of calculating the endorsement premium if you are a qualifying broker, a claim made against you, your firm for your acts, or your firm for the firm's acts is considered a claim against you. If you are not a qualifying broker, a claim made against you or your firm for your acts is considered a claim against you.	(a) \$100 or (b) \$150																									
Total (add premium for any optional endorsements)		\$ _____																								

Please make your check or money order for Optional Endorsements, including Increased Limits payable to: RISC
(We are currently unable to accept check-by-phone, credit card, or online payments.)

All premium payments for Optional Endorsements, including Increased Limits Endorsements, must be mailed to RISC:

Mailing Address: PO 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 license renewal to the following address:
 Louisiana Real Estate Commission, P.O. Box 14785, Baton Rouge, LA 70898-4785**