

Mississippi Real Estate Errors and Omissions Program

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

NOTICE

Each real estate broker and salesperson who is actively licensed in Mississippi 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 and the Licensee obtains a "Certificate of Coverage" signed by an authorized agent or employee of the insurance carrier (which shall be filed with the Commission in compliance with Mississippi Real Estate License Law of 1954). If coverage under the group policy is not timely obtained or renewed, or the Licensee has not obtained the required coverage from another qualified insurance provider, the Commission will place the license on inactive status.

Enrollment Form for Errors and Omissions Insurance: In order to maintain a superior program for the Mississippi Real Estate Commission's (the "Commission") official group program, Rice Insurance Services Company, LLC (RISC) has an agreement with Continental Casualty Company, one of the CNA insurance companies, to provide its policy for the Mississippi 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 Mississippi Licensees. **The one-year premium payment is \$205.00 per Licensee, if you wish to participate in the group program.** Licensees joining the group program after July may pay a prorated premium. Please contact RISC for the proper premium amount. The group program provides the required limits of \$100,000/\$500,000 per Licensee with \$1,000 Damage deductible and \$1,000 Claim Expenses deductible.

ACTIVE Licensees (brokers and salespersons) are REQUIRED to carry E&O insurance. A firm Licensee is not required to carry separate E&O insurance. **INACTIVE** Licensees are not required to have E&O insurance. However, Licensees with expiring policies that are placing their licenses inactive may want to purchase an Optional Extended Reporting Period Endorsement (see below). A new licensee is required to provide proof of insurance coverage to the Commission within 30 days of licensure. 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. A packet containing a brochure and information about higher limits for the firm is sent to each principal broker. This information is also available on our www.risceo.com.

Exclusions: 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, or you may call our administrative office at (800) 637-7319, ext. 1.

Optional Coverages Available: Conformity Endorsement, Appraisal Endorsement, Leasing and Property Management Endorsement, Limited Claim Expenses Coverage Environmental Endorsement, Limited Claim Expenses Coverage Fair Housing Endorsement and Limited Claim Expenses Coverage Real Estate Regulatory Complaints Endorsement. To obtain optional endorsement(s), please indicate your selection(s) on the enrollment form (on back) and enclose the appropriate fee. **Note all payments for coverage must be mailed and made payable to RISC unless you enroll online at www.risceo.com.** Please refer to the brochure on our website for more information regarding the program and endorsements available.

Appraisal Coverage – Only Available to Active Real Estate Licensees: The group policy is written in the name of "The Mississippi Real Estate Commission on behalf of its Licensees who hold an active real estate license issued by the Mississippi Real Estate Commission under the Mississippi Real Estate Brokers License Law of 1954 and who have paid the required premium." The Appraisal Endorsement that attaches to the Mississippi group policy provides coverage for appraisal services performed by an active real estate licensee who is also a licensed real estate appraiser. However, the group policy does **not** provide coverage for appraisers or appraiser trainees who are not real estate licensees. Individuals who are licensed or certified as appraisers or appraiser trainees but do not have a real estate license need to purchase coverage for their professional services pursuant to their appraisal license or certification. Please note that these individuals are **not eligible** to purchase coverage pursuant to the group policy issued to real estate licensees and Rice Insurance Services Company, LLC does not have access to a product for coverage for these individuals. The excess policy is subject to all of the provisions of the primary policy and its coverage only applies if the underlying coverage applies. Therefore, if the group policy does **not** provide coverage for the acts of licensed or certified appraisers and appraiser trainees because they are not licensed as real estate licensees, then the excess also will not provide coverage to these individuals.

Higher Limits Available: Limits of \$250,000 per Claim per Insured Licensee, with a \$750,000 Annual Aggregate Limit, are available to Individual Licensees. Licensees whose real estate activity is at least 75% residential sales and who have had no Claims in the past five years may pay an additional premium of \$66 to increase Limits to \$250,000. Licensees whose real estate activity is less than 75% residential sales and/or who have had Claims in the past five years may pay an additional \$103 to increase Limits to \$250,000. In addition, we offer a firm "excess" policy with limits at levels of \$250,000, \$500,000 or \$1,000,000. Information about higher limits for the firm is being sent to your principal broker.

Optional Extended Reporting Period (ERP) Endorsement is available for Licensees who are 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 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. In case of cancellation or non-renewal for any reason, the Insured has the option, upon payment of premium to purchase 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. Please contact RISC at (800) 637-7319, ext. 1, if you would like to obtain this 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. Mississippi 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, you may lose a valuable feature of the group program - **prior acts coverage** - if you do not renew your coverage promptly. 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 will 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 you 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.**

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

MISSISSIPPI
 Prorated Premium Chart
 July 1, 2010 – July 1, 2011

Effective Date of Coverage	Premium
JULY 2010	\$205
AUGUST 2010	\$188
SEPTEMBER 2010	\$171
OCTOBER 2010	\$154
NOVEMBER 2010	\$137
DECEMBER 2010	\$120
JANUARY 2011	\$103
FEBRUARY 2011	\$85
MARCH 2011	\$68
APRIL 2011	\$51
MAY 2011	\$34
JUNE 2011	\$17

OPTIONAL COVERAGES BELOW: Optional Coverages cannot be prorated.	
Conformity: This extension does not apply if you are a non-resident of Mississippi. CO IA ID LA KY NE ND NM RI SD <i>*TN conformity is no longer available to most licensees due to recent changes in TN regulations. Please contact RISC for details about obtaining coverage for your TN license.</i>	\$15 (Regardless of the number of states at the time of issuance)
Appraisal Endorsement (only applies for active real estate licensees) <i>*Please see important message on Enrollment Form</i>	\$300
Leasing and Property Management Endorsement	\$50
Limited Claim Expenses Coverage Environmental Endorsement	\$15
Limited Claim Expenses Coverage Fair Housing Endorsement	\$15
Limited Claim Expenses Regulatory Complaints Endorsement	\$15
Higher Limits \$250,000 Per Claim / \$750,000 Aggregate (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 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.	(a) \$66; or (b) \$103

You may Enroll Online with a Visa or MasterCard on our secure website www.risceo.com.
 Please note that we are unable to accept any payments over the telephone.

Please send enrollment form with check or money order payable to: RISC
 Mailing Address: P.O. Box 6709, Louisville, KY 40206-0709
 Overnight 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