

# Nebraska Real Estate Licensees' Errors and Omissions Program

## OFFICIAL GROUP PROGRAM NOTICE

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

Each real estate Licensee who is actively licensed in Nebraska shall, as a condition of licensing, carry and maintain errors and omissions (E&O) insurance to cover all licensed activities under the Nebraska Real Estate License Act. Licensees have the option to obtain E&O insurance independently, so long as the coverage complies with the minimum requirements established by the Nebraska Real Estate Commission (the "Commission") and the Licensee obtains a "Certificate of Coverage" (which shall be filed with the Commission). If you currently have coverage under the Commission's group policy, your coverage will expire on January 1, 2012. If you do not timely purchase coverage under the group program or obtain the required coverage from another qualified insurance provider, the Commission may not renew your license or will place your license on inactive status on the expiration date of your coverage.

**Enrollment in the Commission's Group Program:** Rice Insurance Services Company, LLC (RISC) was selected to provide the Commission's official group program for the 2012 policy period. RISC has an agreement with Continental Casualty Company, one of the CNA insurance companies, to offer CNA's policy to Nebraska 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 ensure a quality program for Nebraska Licensees. The premium for the one-year policy period is **\$135 per Licensee**. Licensees joining the group program after January may pay a prorated premium. However, please see the section entitled ALWAYS PURCHASE COVERAGE TIMELY below for important information regarding late payment. Please contact RISC for the proper premium amount. **All premium must be mailed and made payable to RISC, unless you enroll online. The premium is fully earned and the policy does not permit refunds after the inception date.**

The 2012 group program provides the required limits of \$100,000/\$300,000 per Licensee with a \$1,000 Deductible for Damages. The group program provides coverage for a real estate Licensee's Professional Services as a real estate Licensee, a property manager, and a properly credentialed appraiser. A sample policy and other information are available on our website at [www.risceo.com](http://www.risceo.com). **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). A Licensee must obtain insurance coverage before the license can be activated. **REAL ESTATE FIRMS** registered with the Commission are not required to purchase coverage, but may choose to do so. The optional firm coverage provides the firm with additional limits of liability in the event a claim is made against the real estate firm.

**Exclusions:** All Licensees are urged to read the entire policy and examine the portion of the policy entitled "Exclusions" for a listing of excluded claims. To obtain a copy of the policy, please visit our website [www.risceo.com](http://www.risceo.com) or call our administrative office.

**Optional Coverages Available:** Optional endorsements available include Conformity, Environmental, Regulatory Complaints, and Increased Limits of Liability (see below for more information regarding this endorsement). To purchase optional endorsements, please indicate your selection(s) on the enrollment form (on back) and enclose the appropriate premium. Please refer to the brochure on our website [www.risceo.com](http://www.risceo.com) for additional information regarding the program and endorsements available.

**Increased Limits Available:** Limits of \$250,000 per Claim / \$750,000 Annual Aggregate are available to Licensees for an additional \$78 per Licensee. Limits of \$500,000 per Claim / \$1,000,000 Annual Aggregate are available to Licensees for an additional \$142 per Licensee. In addition, we offer a firm Excess policy with limit levels of \$250,000, \$500,000 and \$1,000,000. Information about higher limits for the firm is being sent to your principal broker.

**Optional Extended Reporting Period (ERP):** An endorsement is available for Licensees who do not renew their coverage at the expiration of the 2012 group policy. In case of cancellation or non-renewal for any reason, the Insured has the option of purchasing an ERP endorsement within 90 days after the Licensee's policy has terminated. An ERP Endorsement is important because many professional liability claims are not made until months or years after the underlying transaction occurred. Insureds with coverage expiring January 1, 2012, may obtain an ERP endorsement for 3 years (\$270 plus any applicable endorsement premium) or 5 years (\$405 plus any applicable endorsement premium). Please contact us 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 in accordance with the requirements in the policy. Failure to report a claim timely may jeopardize coverage under the policy. A copy of the Notice of Claim Form is located on our website [www.risceo.com](http://www.risceo.com). You may call our Claims Department at (800) 637-7319 (ext. 2) for instructions on reporting a claim. The policy does not provide coverage for a claim first made against you before the beginning or after the end of your individual policy period. Nor does the policy 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.

**Always Purchase Coverage Timely:** Nebraska requires that all active real estate Licensees maintain errors and omissions insurance. **If you do not pay your premium timely, the Commission may not renew your license or will place your license on inactive status.** Additionally, you will lose a valuable feature of the group program - **prior acts coverage**. The "retroactive date" of your policy determines whether or not you have coverage for acts that occurred prior to the date you purchase coverage under the policy. Your "retroactive date" is the date you first obtained errors and omission coverage and continuously maintained such coverage, with no gaps. If you failed to purchase coverage timely, call RISC immediately to see if you qualify for reinstatement of your coverage back to the inception of the group policy period. This may avoid a gap in coverage and loss of your retroactive date. However, curing a gap in coverage will not correct any failure to comply with the mandatory insurance laws established by the Commission, which may result in penalties and fines. **Always pay your premium on time to protect yourself from uncovered claims and to avoid a gap in coverage, penalties, and fines.**

**Risk Reduction:** As part of our 2012 program, Risk Reduction Information will be available on our website, [www.risceo.com](http://www.risceo.com). Please watch our website for helpful information regarding Risk Reduction in the near future.

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 Nebraska. ©2011

**NEBRASKA: 2012  
INDIVIDUAL LICENSEE ENROLLMENT FORM**

If you wish to enroll by mail, please complete this enrollment form and return with your premium payment. Your enrollment will be processed immediately and your Certificate of Coverage can be downloaded immediately if you ENROLL ONLINE at [www.risceo.com](http://www.risceo.com).

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:	NREC License#: _____ (required)
Firm:	Email: _____
Address:	Telephone #: (     )     -     (w)
	Telephone #: (     )     -     (h)
City, State, Zip:	Fax #: (     )     -
	SS#: _____ (optional)
	Appraisal Credential # _____ *Appraisal activity is included if properly credentialed by Nebraska Real Property Appraisal Board.

Payment Type	Unit Price	Amount Due
<b>Premium Amount (Coverage Expires 1/1/2013)</b> January (\$135) February (\$124) March (\$113) April (\$101) May (\$90) June (\$79) July (\$68) August (\$56) September (\$45) October (\$34) November (\$23) December (\$11)	<b>Please refer to Prorated Premium Amount</b>	\$ _____
<b>OPTIONAL COVERAGES BELOW:</b>		
<b>Conformity Endorsement:</b> Circle all other mandated states where you are licensed and need proof of E&O coverage. This endorsement cannot be purchased if you are not a resident of Nebraska. <b>Please circle applicable state(s) below:</b> <b>CO ID IA KY LA MS ND NM RI SD WY</b> <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 time of issuance)	
<b>Environmental Endorsement</b> (\$5,000 per claim / \$10,000 aggregate for damages and claims expenses)	<b>\$15</b>	
<b>Limited Claims Expenses Real Estate Regulatory Complaints Endorsement</b> (\$2,500 per claim / \$5,000 aggregate for claim expenses only)	<b>\$15</b>	
<b>Increased Limits Endorsement - \$250,000 Per Claim / \$750,000 Aggregate</b> January (\$78) February (\$71) March (\$65) April (\$59) May (\$52) June (\$45) July (\$39) August (\$33) September (\$26) October (\$19) November (\$13) December (\$7)	<b>\$78 or prorated premium amount for new licensee</b>	
<b>Increased Limits Endorsement - \$500,000 Per Claim / \$1,000,000 Aggregate</b> January (\$142) February (\$130) March (\$118) April (\$107) May (\$95) June (\$83) July (\$71) August (\$59) September (\$47) October (\$35) November (\$23) December (\$12)	<b>\$142 or prorated premium amount for new licensee</b>	
<b>Total (add prorated premium + any optional coverages)</b>		\$ _____

We will verify coverage with the Nebraska 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. Please allow at least 5 business days for processing.

You may ENROLL ONLINE at [www.risceo.com](http://www.risceo.com) and download your Certificate of Coverage immediately. 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 is due at the time damages are paid. 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: \_\_\_\_\_