

North Dakota Real Estate Errors and Omissions Program

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

Please See Policy Forms and Program Information on our Website: www.risceo.com

NOTICE

Each real estate salesperson, broker associate, or broker who is actively licensed in North Dakota 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 North Dakota Century Code Chapter 43-23). If you currently have coverage with the Commission's group policy, your coverage will expire on January 1, 2009. If coverage under the policy is not timely renewed or the licensee has not obtained the required coverage from another qualified insurance provider, the Commission will place the license on inactive status on the date of termination of insurance coverage.

Enrollment Form for Errors and Omissions Insurance

In order to maintain a superior program for the North Dakota 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 North Dakota 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 North Dakota licensees. **If you wish to participate in the group program, the one-year premium payment of \$152 per licensee is now due.** The group program provides the required limits of \$100,000/\$500,000 per licensee with \$1,000 deductible for Damages and \$1,000 deductible for Claim Expenses. **ACTIVE** licensees (salespersons, broker associates and brokers) are REQUIRED to carry E&O insurance. A firm is not 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 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. A packet containing a brochure and information about higher limits for the firm is being sent to your principal broker. This information is also available on our website, www.risceo.com.

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.** Please refer to the brochure sent to brokers for information regarding the program and endorsements available or visit our website at www.risceo.com.

Higher Limits Available: Limits of \$250,000 per Claim per Insured Licensee, with a \$500,000 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 \$93 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 \$133 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. All Licensees at a firm are not required to participate in the RISC program to qualify for coverage; however, if a firm wished to purchase a firm excess policy, at least 75% of its Licensees must purchase insurance coverage from RISC.

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 act, 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 within 90 days after the licensee's policy has terminated, to purchase an ERP endorsement to extend the reporting period for up to three years. 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 for one year (1/1/2009 - 1/1/2010) is \$140 (plus any applicable endorsement premium), two years (1/1/2009 - 1/1/2011) is \$210 (plus any applicable endorsement premium) and three years (1/1/2009 - 1/1/2012) is \$280 (plus any applicable endorsement premium). Please contact RISC at (800) 637-7319 if you would like to obtain this endorsement.

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 North Dakota. ©2008

**Continental Casualty Company
Real Estate Errors and Omissions Insurance**

Administered by Rice Insurance Services Company, LLC

**NORTH DAKOTA
Prorated Premium Chart**

January 1, 2009 – January 1, 2010

Effective Date of Coverage	Year	Premium
JANUARY	2009	\$152
FEBRUARY	2009	\$139
MARCH	2009	\$127
APRIL	2009	\$114
MAY	2009	\$101
JUNE	2009	\$89
JULY	2009	\$76
AUGUST	2009	\$63
SEPTEMBER	2009	\$51
OCTOBER	2009	\$38
NOVEMBER	2009	\$25
DECEMBER	2009	\$13

OPTIONAL COVERAGES BELOW: Please note that endorsements cannot be prorated.	
Conformity: This extension does not apply if you are a non-resident of New Mexico. CO IA ID KY LA MS NE NM RI SD WY * *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 a TN license.	\$15 (Regardless of the number of states at the time of issuance)
Appraisal Endorsement (only available for active real estate licensees)	\$200
Leasing and Property Management Endorsement	\$150
Limited Claim Expenses Coverage Environmental Endorsement	\$15
Limited Claim Expenses Coverage Fair Housing Endorsement	\$15
Limited Claim Expenses Coverage Real Estate Regulatory Complaints Endorsement	\$15
Higher Limits \$250,000 Per Claim /\$50000 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 does not include rental, leasing, appraisal or other non-sales activity involving residential property.	(a) \$93 or (b) \$133

Please include enrollment form with payment to RISC:

Mailing Address: P.O. Box 6709, Louisville, KY 40206-0709

Physical 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