

Rhode Island 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 licensed by the Rhode Island Department of Business Regulation (the "Department") 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 Department and the licensee obtains a "Certification of Coverage" signed by an authorized agent or employee of the insurance carrier (which shall be filed with the Department in compliance with Rhode Island General Laws Chapter 5-20.5-25). A certificate of coverage must be filed with the Department by the annual license renewal date by each licensee.

Enrollment Form for Errors and Omissions Insurance: In order to maintain a superior program for the Rhode Island Department's real estate licensees, 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 Rhode Island 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 Rhode Island licensees. **The two-year premium payment is \$194 per Licensee.** Licensees joining the group program after April 30, 2010 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 a \$1,000 Damages deductible and \$1,000 Claim Expenses deductible. Licensees (brokers and salespersons) are REQUIRED to carry E&O insurance. Before activation of a license, a licensee is required to obtain insurance coverage. The premium is fully earned and the policy does not permit refunds after the policy's inception date. A sample policy and other information is also available on our website, 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) 637-731, 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.** Please refer to the brochure on our website, www.risceo.com, for information regarding the program and endorsements available.

Optional Extended Reporting Period (ERP) Endorsement is available for licensees who are currently insured with the April 30, 2008 – April 30, 2010 group policy through RISC. In case of cancellation or non-renewal of the policy for any reason, the Insured has the option to purchase 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 after the underlying transaction occurred. Policyholders with coverage expiring April 30, 2010 may obtain an ERP endorsement for one year (\$90 plus any applicable endorsement premium), for two years (\$135 plus any applicable endorsement premium) or three years (\$180 plus any applicable endorsement premium). Please contact us at (800) 637-7319, ext. 1, if you would like to obtain this coverage or visit our website at www.risceo.com.

Excess Coverage for Firms is available. We also offer a program with CNA for excess coverage for firms that desire policy limits higher than those provided by the individual coverage. Excess coverage provides the firm with policy limits above the individual licensees' \$100,000 limits and is available to firms on an underwritten basis. The excess program offers three (3) options with different policy limits (\$250,000 per Claim /\$250,000 Annual Aggregate; \$500,000 per Claim / \$500,000 Annual Aggregate; \$1,000,000 per Claim / \$1,000,000 Annual Aggregate). The excess program coverage will meet most franchise requirements for higher limits and additional insured language.

As the excess policy is issued to the firm, all licensees affiliated with the firm must participate in the excess program. In addition, all of the firm's licensees are required to purchase and maintain coverage pursuant to the underlying E&O group program offered by CNA. The premium for the excess coverage will be in addition to the underlying insurance premium charged by CNA. The excess policy will not apply until all applicable limits of the individual licensees' underlying insurance have been exhausted. Rates for the firm excess program will be provided following submission of an excess application and underwriting approval. If you have an interest in excess coverage for your firm, please contact us at (800) 637-7319, ext. 3.

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. Rhode Island requires that all active real estate licensees carry and maintain E&O insurance. If you do not pay your premium timely, the Department 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 Department 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.**

RHODE ISLAND LICENSEE ENROLLMENT FORM: 2010

Enrollment Form and premium payment must be received no later than **APRIL 5, 2010** in order to ensure adequate time to process your enrollment and provide Certification of Coverage to include with your license renewal.

When you renew your license online, please list "Continental Casualty Company" as the "Errors and Omissions Insurance Company Name" and "4/30/2012" as the "Expiration Date" when you complete the RIDBR's online form. Keep your certificate in your license renewal file to present to the RIDBR upon request. If you mail your license renewal to the RIDBR, you may attach a copy of the Certificate of Coverage as proof of insurance.

Please complete the information below. 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 at www.risceo.com or call us at (800) 637-7319, ext. 1.

Name:	License Type: #:
Firm:	Email:
Address:	Telephone #: () - (w)
	Telephone #: () - (h)
City, State, Zip:	Fax #: () -

Payment Type	Unit Price	Amount Due
Premium (Coverage expires 4/30/12)	Please refer to Prorated Premium Chart	\$ _____
OPTIONAL COVERAGES BELOW:		
Conformity: Circle all other mandated states where you are licensed and need proof of E&O coverage. This extension does <u>not</u> apply if you are a non-resident of Rhode Island. <small>(Two-Year Period 4/30/10 – 4/30/12)</small> Please circle applicable state(s) below: CO IA ID KY LA MS ND NE NM SD TN WY	\$30 <small>(Regardless of the number of states at time of issuance.)</small>	
Appraisal Endorsement (only applies for active real estate licensees) <small>(Two-Year Period 4/30/10 – 4/30/12)</small>	\$200	
Leasing and Property Management Endorsement <small>(Two-Year Period 4/30/10 – 4/30/12)</small>	\$200	
Limited Claim Expenses Coverage Environmental Endorsement <small>(Two-Year Period 4/30/10 – 4/30/12)</small>	\$30	
Limited Claim Expenses Coverage Fair Housing Endorsement <small>(Two-Year Period 4/30/10 – 4/30/12)</small>	\$30	
Limited Claim Expenses Coverage Regulatory Complaints Endorsement <small>(Two-Year Period 4/30/10 – 4/30/12)</small>	\$30	
Total (add prorated premium + optional coverages)		\$ _____

We will provide you with a Certificate of Coverage so that you may verify insurance coverage for license renewal to the Rhode Island Department of Business Regulation. It is also your responsibility to provide verification to other commissions and entities that may require proof of coverage. *Note all premiums are FULLY EARNED at the inception date. After the effective date, no refunds are permitted. Please allow at least 10 business days for processing. If you have any questions, please visit our website at www.risceo.com or call us at (800) 637-7319, ext. 1.

Please DO NOT submit your E&O premium to the Rhode Island Department of Business Regulation.

All premium payments must be mailed to the address below.

Please make your check or money order payable to: RISC

Please mail Enrollment Form and payment by check or money order to: RISC, PO Box 6709, Louisville, KY 40206-0709

(We are not currently able to accept check-by-phone, credit card, or online payments for the Rhode Island program.)

Overnight Deliveries to: 4211 Norbourne Blvd, 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 will be billed to you at the time the expense is incurred by the Company.

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:** _____

Continental Casualty Company

Real Estate Errors and Omissions Insurance
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RHODE ISLAND

Prorated Premium Chart
April 30, 2010 – April 30, 2012

Effective Date	Premium	Effective Date	Premium
May 2010	\$194	May 2011	\$97
June 2010	\$186	June 2011	\$89
July 2010	\$178	July 2011	\$81
August 2010	\$170	August 2011	\$73
September 2010	\$162	September 2011	\$65
October 2010	\$154	October 2011	\$57
November 2010	\$146	November 2011	\$49
December 2010	\$137	December 2011	\$40
January 2011	\$129	January 2012	\$32
February 2011	\$121	February 2012	\$24
March 2011	\$113	March 2012	\$16
April 2011	\$105	April 2012	\$8

Optional Endorsements: April 30, 2010-April 30, 2012	If purchased 4/30/10-4/30/11	If purchased 4/30/11-4/30/12
Conformity Endorsement This extension does not apply if you are a non-resident of RI. (CO IA ID KY LA MS ND NE NM SD TN WY)	\$30	\$15
Appraisal Endorsement (only applies for active real estate licensees)	\$200	\$100
Leasing & Property Management Endorsement	\$200	\$100
Limited Claim Expenses Coverage Environmental Endorsement	\$30	\$15
Limited Claim Expenses Coverage Fair Housing Endorsement	\$30	\$15
Limited Claim Expenses Coverage Regulatory Complaints Endorsement	\$30	\$15

Please send enrollment form with check or money order payable 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