All individuals holding an active Tennessee real estate license must maintain uninterrupted errors and omissions (E&O) insurance to cover all licensed activities. Firm licensees are not required to obtain E&O insurance but may choose to do so. Licensees may purchase coverage through
the Tennessee Real Estate Commission’s (TREC’s) group program. Licensees may also obtain E&O insurance outside of the group program, provided coverage meets state minimum requirements and a certificate of coverage is provided to TREC in compliance with Tennessee law. If you are enrolled in TREC’s current group program, your insurance will expire January 1, 2013. Licensees who do not have insurance for the January 1, 2013 to January 1, 2015 period in place by December 31, 2012 will be considered late. However, licensees may enroll through December 31, 2012 with no administrative penalty. Licensees who enroll after December 31, 2012 risk facing fines, penalties, and loss of prior acts coverage. Tennessee law requires principal brokers to adequately supervise all of their firm’s affiliate brokers. Principal brokers who fail to ensure their affiliate brokers maintain E&O insurance will be disciplined with a civil penalty up to $1,000.00 per uninsured affiliate broker. Unless an active licensee obtains insurance through the group policy or provides proof of other compliance coverage by December 31, 2012, TREC will not renew his/her active license. Licensees who want to inactivate or retire their licenses in 2013 must file a TREC Form 1 to change license status before December 31, 2012 or else obtain insurance for the January 1, 2013 to January 1, 2015 period. Coverage must be obtained before license activation. Contact your broker to verify your company participates in the group program before submitting your premium. Inactive licensees are not required to purchase E&O insurance; however, we urge licensees with expiring policies who are not renewing coverage to contact their current E&O carrier about any available extended reporting periods (“tail coverage”) (more information on back).

TREC’s Official Group Program: Rice Insurance Services Company, LLC (RISC) is excited that TREC selected us to continue to provide its official group program. The insurance carrier for the program is Continental Casualty Company, a CNA insurance company. RISC specializes in providing E&O insurance to real estate licensees. RISC’s unmatched experience and excellent claims service, combined with CNA’s strong financial performance and ratings (rated “A” by A.M. Best), will ensure a quality program. The group program provides the required limits of liability of $100,000 per claim, up to $300,000 in the annual aggregate, per licensee, with a $1,000 damage deductible. We urge licensees to carefully read the entire policy, including the “Exclusions” section. More information about the group program, including a Brochure, Sample Policy, and material about Risk Reduction and Optional Endorsements is available on our website, www.risceo.com, or by calling us at (800) 637-7319, ext. 1. We send information about our Enhanced Firm Excess Program to each principal broker.

Enrollment: Your firm may enroll in TREC’s group program online at www.risceo.com (using a Visa or MasterCard) or by mail using the enrollment form. The premium for the two-year policy period January 1, 2013 to January 1, 2015 is $249 per licensee. The premium is fully earned upon inception and no refunds are permitted after that date. Licensees joining the group program after January may pay a prorated premium and contact us for the proper amount. See the “Timely Renewal” section below for important information regarding late payment.

Features: The group policy automatically includes the following features for no additional premium:

- Environmental: Sublimits of liability of $100,000 per claim, $300,000 in the annual aggregate, for damages for covered environmental claims.
- Escrow/Earnest Money Deposit: Sublimits of liability of $5,000 per claim, $10,000 in the annual aggregate, for damages for covered escrow/earnest money deposit claims.
- Fair Housing/Discrimination: Sublimits of liability of $5,000 per claim, $10,000 in the annual aggregate, for damages for covered fair housing/discrimination claims.
- Franchise: A franchise the insured licensee is associated with is considered an insured for its vicarious liability arising from negligent acts, errors, and omissions in the licensee’s professional services. We also offer free franchise endorsements, upon request, to licensees who need special language to comply with franchise requirements.
- Incident Reporting: Insureds may report potential claims, which is beneficial because if the matter later arises to an actual claim, the carrier will review under the policy in effect when the potential claim was reported, even if the licensee has no active policy when the claim arises.
- Lock Box: Sublimits of liability of $5,000 per claim, $10,000 in the annual aggregate, for damages for covered lock box claims.
- Primary Residence Endorsement: Provides coverage up to policy limits for covered claims relating to the sale or listing of the licensee’s primary residence under certain conditions.
- Regulatory Complaints Endorsement: Coverage for claim expenses up to $2,500 per covered complaint to a regulatory board or commission, up to $5,000 in the aggregate.
- Spouses and Domestic Partners: Coverage for the licensee’s spouse or domestic partner in certain situations.
- Subpoena: Coverage for attorneys’ fees up to $2,500 in connection with complying with a covered subpoena related to professional services, up to $2,500 in the aggregate.

Optional Endorsements: The only optional endorsement available to firm licensees is the conformity endorsement for other states where the firm has an active license and that require real estate E&O insurance for firm licenses. This endorsement conforms the firm’s coverage under TREC’s group program to meet the other state’s requirements. The firm must be domiciled in Tennessee to qualify for this endorsement. The conformity endorsement may be purchased during enrollment in the group program. Individual licensees may purchase the appraisal, conformity, increased limits, property management, and residential personal interest coverage endorsements. More information about these endorsements is available on our website, www.risceo.com, and on the individual enrollment form, which is mailed to each individual licensee.

Claims Made Policy / Reporting Claims: This is a claims made policy. It does not provide coverage for claims first made before the beginning or after the end of the individual policy period. Nor does it provide coverage if, prior to the policy’s inception date, the insured had a basis to believe any act, error, or omission might reasonably be expected to be the basis of a claim. If your firm has notice of a claim or potential claim, report it immediately to your firm’s current carrier or risk not having coverage for the claim. Failure to report a claim in writing, timely, or in accordance with the policy’s requirements may jeopardize coverage. To report a claim to RISC, send us a completed notice of claim form (available at www.risceo.com or by calling us at (800) 637-7319, ext. 2), along with copies of the claim, all correspondence relating to the matter, and the transaction file. Visit our website or call us for additional information about reporting claims.

Timely Renewal: Enroll timely to protect against uncovered claims, a gap in coverage, penalties, and fines. Failure to timely purchase insurance may result in loss of prior acts coverage, a valuable feature of the group program. Your firm’s “retroactive date” determines if it has coverage for professional services performed prior to the date it enrolls in the group policy. The retroactive date is the date your firm first obtained, and since which has continuously maintained, E&O insurance, with no gaps. If your firm failed to enroll timely, call RISC immediately to see if it qualifies to backdate its coverage to the group policy’s inception date, which may avoid a break in coverage and loss of its retroactive date but will not remedy any noncompliance with mandatory insurance laws.

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 Tennessee. ©2012
Tennessee Real Estate Commission's Group Errors and Omissions Program
Underwritten by Continental Casualty Company and Administered by Rice Insurance Services Company, LLC

FIRM LICENSEE ENROLLMENT FORM

Your firm may ENROLL ONLINE at www.risceo.com with a Visa or MasterCard and download its Certificate of Coverage immediately. There is a non-refundable $5 processing fee for online enrollment. If your firm prefers to enroll by mail, send the completed enrollment form with a check or money order payable to RISC to either of the following addresses: RISC, P.O. Box 6709, Louisville, KY 40206-0709 or RISC, 4211 Norbourne Blvd., Louisville, KY 40207-4048. Do not submit your firm’s E&O premium to the Tennessee Real Estate Commission (TREC).

Licensees who do not have insurance for the January 1, 2013 to January 1, 2015 period in place by December 31, 2012 will be considered late. However, licensees may enroll through December 31, 2012 with no penalty. Licensees who enroll after December 31, 2012 risk facing fines, penalties, and loss of prior acts coverage. Please complete the information below (including the bottom portion). PLEASE PRINT OR TYPE. Incomplete information may cause a delay in the issuance of your firm’s coverage. All premiums are fully earned on the inception date and no refunds are permitted after that time. We will verify coverage with TREC. However, it is your firm’s responsibility to provide verification to other commissions and entities.

Name: 
Firm Name: 
License No.: 
License Type: 
Email: 
Phone: ( ) - 
Fax: ( ) - 
Tennessee Secretary of State Number (optional): 

<table>
<thead>
<tr>
<th>Basic Policy</th>
<th>Unit Price</th>
<th>Amount Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium (January 1, 2013 to January 1, 2015)</td>
<td>$249</td>
<td>$249</td>
</tr>
<tr>
<td>Optional Endorsement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conformity: If you are domiciled in Tennessee, circle all states below where you are licensed and need proof of E&amp;O coverage. You must be domiciled in Tennessee to qualify for this endorsement.</td>
<td></td>
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<tr>
<td>CO IA ID LA</td>
<td></td>
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<tr>
<td>Other State License Type:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other State License Number:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total ($249 basic policy premium + premium for any optional endorsement)</td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

Optional Extended Reporting Period (ERP): The policy does not provide coverage for claims that arise after the policy’s termination date, unless an ERP applies. ERP endorsements are available to licensees who purchase insurance through the group program and do not renew coverage for any reason. An ERP extends the policy’s reporting date, so it applies to claims that first arise during the ERP. ERP endorsements may be purchased within 90 days after the termination date of the licensee’s policy. ERP endorsements are important because many professional liability claims are made years after the underlying transaction occurred. The premium for a 1-year ERP endorsement is 100% of expiring annual premium and any applicable endorsement premium, 2-year ERP endorsement is 150% of expiring annual premium and any applicable endorsement premium, or 3-year ERP endorsement is 200% of expiring annual premium and any applicable endorsement premium. Contact us to learn more about our ERP endorsements. Licensees who are insured through another provider and are not purchasing insurance when their current coverage expires should immediately contact their current insurance provider for additional information regarding any available extended reporting period.

***PLEASE SIGN BELOW: If you have any knowledge of any claim or any act, error, omission, fact, or situation that might give rise to a claim, it must be reported in writing immediately to your insurance carrier before your firm’s 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 later of January 1, 2013 or the day after the postmarked date of the completed application. Please indicate if another coverage date is requested: (Only needed if requesting a date other than the group policy inception date or the date you are submitting this form with the applicable premium.)

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. Applicant understands that all premiums are fully earned at policy inception and no refunds are permitted after that date. 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.

Firm Name: 
Date: 
By: 
(signature)

Print Name: 
Title: 

(please print or type below)