

Your E&O Policy

IMPORTANT NOTICE REGARDING INACTIVE STATUS AND E&O INSURANCE COVERAGE

If you place your license on inactive status, you need to be aware of special considerations regarding your errors and omissions insurance coverage. The current group policy is written on a "claims-made and reported" basis. This means that coverage is provided only for those Claims that are made against you and reported to the insurance company in writing during the policy period. If you place your license on inactive status, you may still be eligible for limited coverage after the policy period. The current group policy provides: "In case of cancellation or nonrenewal because a **Licensee** retires, places license on inactive status or allows license to expire, the policy will apply to **Claims** first made against the **Insured** and reported to the Company up to ninety (90) days after the effective date of cancellation or nonrenewal. Said ninety (90) day period will be hereinafter referred to as the Automatic Extended Reporting Period."

After you place your license inactive, you are not required by law to maintain your coverage. However, a prudent individual will maintain coverage in order to avoid personal liability for Claims made after expiration of the policy period. An Optional Extended Reporting Period Coverage, commonly known as "Tail Coverage" may be purchased to cause the policy to apply to Claims first made and reported up to three (3) years after the effective date of the cancellation or non-renewal. Tail Coverage can only be purchased within ninety (90) days after the licensee's policy has terminated. Tail Coverage is important because so many professional liability Claims are not made until months after the subject transaction occurs, and some may even be made years after the transaction.

The current group policy provides:

Coverage afforded by the Automatic and Optional Extended Reporting Periods:

1. Shall apply solely to **Claims** arising from a negligent act, error or omission:
 - (a) committed or alleged to have been committed subsequent to the **Retroactive Date**, and
 - (b) committed or alleged to have been committed prior to the effective date of cancellation or nonrenewal, and
 - (c) which are otherwise insured under all the other terms, conditions and exclusions of this policy.
2. Shall not apply to any **Claim**, which is insured by any other policy of insurance, nor as excess above such other policy of insurance.
3. Nothing in Paragraphs A or B shall serve to increase the Limits of Liability as provided in Insuring Agreement II or the Supplementary Payments as provided in Section IV. The Limits of Liability for any Extended Reporting Period shall be a part of, and not in addition to, the Limits of Liability listed on the Declarations.

The current group policy requires that the Claim be reported to the insurance company, in writing, during your policy period or any extended reporting period. The Insured must give written notice by submitting a completed Notice of Claim Form to the Company as soon as possible after the Claim is first made but in no event more than ninety (90) days after the Insured becomes aware of such Claim. Such written notice shall include the name of the licensee and shall include the time, place and details of the Claim. Failure to report a Claim in a timely manner could jeopardize the coverage provided by the policy. RISC utilizes a simple Claim reporting form which is located on its web site www.risceo.com, however, for assistance in reporting a Claim, please call (800) 637-7319 (extension 2).

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.