

Colorado Real Estate Errors and Omissions Program

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

NOTICE

Each real estate broker who is actively licensed in Colorado 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 Colorado Real Estate Commission (the "Commission") 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 Commission in compliance with Colorado Real Estate License Act). If coverage under the group policy is not timely obtained or renewed, or the licensee has not obtained the required coverage from another qualified insurance provider, the Commission will place the license on inactive status.

Enrollment Form for Errors and Omissions Insurance: In order to maintain a superior program for the Colorado Real Estate Commission's 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 Colorado 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 Colorado licensees. The one-year premium is \$243.00 per Licensee. Licensees joining the group program after January may pay a prorated premium. Please contact RISC for the proper premium amount. Late insurance payments may cause a break in coverage and/or noncompliance with the mandatory insurance requirement.

The group program provides the required limits of \$100,000/\$300,000 per Licensee with a \$1,000 Damages deductible. There is no deductible for Claim Expenses. **ACTIVE** licensees (including brokers and licensed real estate firms) are **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 on inactive status, may want to purchase an Optional Extended Reporting Period Endorsement (see below). 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 available on our website at 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. Please refer to the brochure on our website for information regarding the program and endorsements available. These optional coverages are **not** available for firm license coverage (except resident firm licensees may purchase the conformity endorsement for another mandated state requiring firm license coverage). 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 made payable to RISC, or you may enroll online.

Higher Limits Available: Limits of \$250,000 per Claim per Licensee with a \$750,000 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 \$135 for the annual period to increase per Claim 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 \$165 for the annual period to increase per Claim limits to \$250,000. In addition, we offer a firm "excess" policy with limits at levels of \$500,000 or \$1,000,000. All licensees at a firm are not required to participate in the RISC program to qualify for excess coverage; however, if a firm wishes to purchase a firm excess policy, the firm, the principal broker and at least 75% of its licensees must purchase insurance coverage from RISC. A packet containing information about higher limits for the firm is sent to each employing broker.

Optional Extended Reporting Period (ERP) Endorsement is available for licensees who are currently insured with the Commission's 2007 group policy through RISC and who have placed their license on inactive status or otherwise have not renewed their coverage. If a licensee retires, places his/her license on inactive status or allows his/her license to expire, the 2007 group policy provides the Licensee will be insured for claims made and reported within 90 days of the expiration date provided the 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 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 January 1, 2008 may obtain an ERP endorsement for one year (\$239 plus any applicable endorsement premium), for two years (\$358.50 plus any applicable endorsement premium) or three years (\$478 plus any applicable endorsement premium). Please contact us at (800) 637-7319 if you would like to obtain this coverage or visit our website at www.risceo.com.

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.

**COLORADO: 2008
INDIVIDUAL LICENSEE ENROLLMENT FORM**

It is faster and easier to ENROLL ONLINE and download your Certificate immediately at www.risceo.com.

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.

Name:	License: Prefix:	#:	pending <input type="checkbox"/>
Firm:	Email:		
Address:	Telephone #: () - (w)		
	Telephone #: () - (h)		
City, State, Zip:	Fax #: () -		
	SS #: - - (optional)		

<u>Payment Type</u>	<u>Unit Price</u>	<u>Amount Due</u>
Premium (Coverage expires 1/1/2009)	Please refer to Prorated Premium Chart	\$ _____
<i>OPTIONAL COVERAGES BELOW: Please note that the optional coverages (other than conformity for other mandated states) are not available for firm licenses. Optional coverages cannot be prorated.</i>		
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 Colorado. Please circle applicable state(s) below: IA ID KY LA MS ND NE NM RI SD WY * <small>*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.</small>	\$20 (Regardless of the number of states at the time of issuance.)	
Appraisal Endorsement (only applies for active real estate licensees)	\$140	
Leasing and Property Management Endorsement	\$150	
Limited Claim Expenses Coverage Environmental Endorsement	\$20	
Limited Claim Expenses Coverage Fair Housing Endorsement	\$20	
Limited Claim Expenses Coverage Regulatory Complaints Endorsement	\$20	
Higher Limits \$250,000 Per Claim / \$750,000 Aggregate (a) At least 75% residential sales* and no claims in past 5 years (b) Less than 75% residential sales* and/or claims in past 5 years <small>*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.</small>	(a) \$135; or (b) \$165	
Total (add prorated premium + optional coverages or higher limits)		\$ _____

We will verify coverage with the Colorado 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. Please do not submit your E&O premium to the Colorado Real Estate Commission. All premium payments must be mailed to the address below unless you enroll online. Please allow at least 10 business days for processing.

**You may ENROLL ONLINE at www.risceo.com for no additional fee 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 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
Administered by Rice Insurance Services Company, LLC

COLORADO
Prorated Premium Chart
January 1, 2008 – January 1, 2009

Effective Date of Coverage	Premium
JANUARY 2008	\$243
FEBRUARY 2008	\$223
MARCH 2008	\$203
APRIL 2008	\$182
MAY 2008	\$162
JUNE 2008	\$142
JULY 2008	\$122
AUGUST 2008	\$101
SEPTEMBER 2008	\$81
OCTOBER 2008	\$61
NOVEMBER 2008	\$41
DECEMBER 2008	\$20

OPTIONAL COVERAGES BELOW: Please note that the optional coverages (other than conformity for other mandated states) are not available for firm licenses. Optional coverages cannot be prorated.	
Conformity: This extension does <u>not</u> apply if you are a non-resident of Colorado. IA ID KY LA MS ND NE NM RI SD WY * <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 a TN license.</i>	\$20 (Regardless of the number of states at the time of issuance)
Appraisal Endorsement (only applies for active real estate licensees)	\$140
Leasing and Property Management Endorsement	\$150
Limited Claim Expenses Coverage Environmental Endorsement	\$20
Limited Claim Expenses Coverage Fair Housing Endorsement	\$20
Limited Claim Expenses Regulatory Complaints Endorsement	\$20
Higher Limits \$250,000 Per Claim / \$750,000 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 <i>*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.</i>	(a) \$135, or (b) \$165

It is faster and easier to Enroll Online at www.risceo.com.
We can accept credit card payments with a Visa or Mastercard on our secure website.
Please note that we are unable to accept any payments over the telephone.

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