

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 and firm that is actively licensed in Colorado shall, as a condition of licensing, carry and maintain errors and omissions (E&O) insurance to cover all licensed activities. Licensees may obtain E&O coverage through the Colorado Real Estate Commission's (CREC's) group program. Licensees may also obtain E&O insurance independently, so long as the coverage complies with state law and the licensee files proof of coverage with the CREC. If coverage is not timely obtained or renewed under the group policy or from another qualified insurance provider, the CREC will place the license on inactive status.

Enrollment in the CREC's Group Program: Rice Insurance Services Company, LLC (RISC) was selected to provide the CREC's official group program. RISC has an agreement with Continental Casualty Company, a CNA insurance company, to offer Continental Casualty Company's policy to 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 result in a quality program for Colorado licensees. **The one-year premium is \$243.00 per licensee. The premium is fully earned on the inception date and the policy does not permit refunds after that time.** 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 noncompliance with the mandatory insurance requirement. All premium payments must be mailed and made payable to RISC, unless you enroll online.

The group program provides the required limits of \$100,000 per claim and \$300,000 in the aggregate per licensee, with a \$1,000 damage deductible. There is no deductible for claim expenses. **ACTIVE** licensees (including brokers and licensed real estate firms) are **REQUIRED** to carry E&O insurance. Before activation of a license, a prospective licensee is required to obtain E&O coverage. **INACTIVE** licensees are not required to have E&O insurance. However, licensees with expiring policies may want to purchase an Optional Extended Reporting Period Endorsement (see below). All licensees are urged to read the entire policy and examine the portion of the policy entitled "**Exclusions.**" A **Sample Policy**, a **Brochure**, and information about **Free Automatic Endorsements and Optional Coverages** are available on our website, www.risceo.com, or you may call our administrative office at (800) 637-7319 (ext. 1).

Features of the Group Program: The following are automatically included in the policy at no additional cost: **(1) Primary Residence Coverage.** The policy includes coverage for the sale or listing of the licensee's primary residence; **(2) Fair Housing/Discrimination.** The policy includes sublimits of \$30,000 per claim (damages and claim expenses) up to \$30,000 in the aggregate for Fair Housing Discrimination claims; **(3) Earnest/Escrow Money Disputes.** The policy includes sublimits of \$10,000 per claim (damages and claim expenses) up to \$25,000 in the aggregate for Earnest/Escrow Money Dispute claims under certain conditions; **(4) Lock Box.** The policy includes sublimits of \$100,000 per claim (damages) up to \$300,000 in the aggregate for Lock Box Property Damage claims; **(5) Circumstance Reporting.** Licensees may report a potential claim prior to receipt of a lawsuit or written demand for money or services; **(6) Franchise.** The policy includes a real estate franchisor in the definition of insured (we also offer a Franchisor Endorsement at no additional cost to insureds needing specific language to satisfy franchisor requirements).

Optional Coverage Available to Firms: The only optional coverage available to firms under the group policy is the conformity endorsement for other states that also require firms to carry E&O coverage in which the firm is licensed. The firm can purchase this optional coverage when it enrolls in the group program online at www.risceo.com or by mail. If enrolling by mail, please indicate the selection(s) on the enrollment form (on back), enclose the appropriate fee, and mail your check made payable to RISC to the address on the enrollment form. Information about our **New Enhanced Excess Program for Firms** is sent to each principal broker. Please refer to the brochure on our website for information regarding the program and endorsements available.

Increased Limits Available: Individual licensees may purchase higher limits of \$250,000 per claim with a \$750,000 aggregate or \$500,000 per claim with a \$1,000,000 aggregate. Licensees may purchase higher limits when they enroll online or by mail and no separate application is required. Licensees whose real estate activity is at least 75% residential sales and who have had no claims in the past 5 years may purchase the \$250,000/\$750,000 option for an additional premium of \$170 or the \$500,000/\$1,000,000 option for \$279. Licensees whose real estate activity is less than 75% residential sales or who have had a claim in the past 5 years may purchase the \$250,000/\$750,000 option for \$203 or the \$500,000/\$1,000,000 option for \$321. Additionally, we offer a firm "excess" policy with limits at levels of \$250,000, \$500,000, \$1,000,000, or \$2,000,000. The firm's principal broker or officer must complete an excess application form to obtain a quote for firm excess coverage. Rates for firm excess coverage will be provided following submission of an excess application and underwriting approval. If you are interested in excess coverage for your firm, please contact us toll-free at (800) 637-7319 (ext. 3).

Extended Reporting Periods (ERPs): Automatic Extended Reporting Period. If a licensee retires, places his/her license on inactive status, or allows his/her license to expire, the 2011 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 policy's "retroactive date" and before the expiration date. **Optional Extended Reporting Period Endorsement.** Licensees who are currently insured under the CREC's 2011 group policy through RISC and are not renewing their coverage for any reason may 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 years after the underlying transaction occurred. Licensees with coverage expiring January 1, 2011 may obtain an ERP endorsement for 1 year (\$243 plus any applicable endorsement premium), for 2 years (\$364.50 plus any applicable endorsement premium) or 3 years (\$486 plus any applicable endorsement premium). If you would like to obtain this coverage, please contact us at (800) 637-7319 (ext. 3) or visit our website at www.risceo.com.

Claims Made Policy Form: The policy is written on a claims made policy form. The policy does not provide coverage for claims first made before the beginning or after the end of your individual policy period. Nor does the policy provide coverage if, prior to the policy's inception date, you had a basis to believe that any negligent act, error, or omission might reasonably be expected to be the basis of a claim. All claims must be reported timely in accordance with the policy's requirements. Failure to report a claim timely may jeopardize coverage. A copy of the Notice of Claim Form is located on our website www.risceo.com. You may call our Claims Department at (800) 637-7319 (ext. 2) for instructions on reporting a claim. 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: If you do not pay your premium timely, **the CREC WILL place your license on inactive status.** Additionally, you will lose a valuable feature of the group program, **prior acts coverage.** The "retroactive date" of your policy determines whether or not you have coverage for acts that occurred prior to the date you purchase coverage under the policy. Your "retroactive date" is the date you first obtained E&O coverage and since which have continuously maintained such coverage, with no gaps. If you failed to purchase coverage timely, call RISC immediately to see if you qualify for reinstatement of your coverage back to the inception of the group policy period. This may avoid a gap in coverage and loss of your retroactive date. However, curing a gap in coverage will not correct failure to comply with Colorado's mandatory insurance laws, which may result in penalties and fines. **Always pay your premium on time to protect yourself from uncovered claims and to avoid a gap in coverage, penalties, and fines.**

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 Colorado. ©2011

2012 COLORADO REAL ESTATE COMMISSION'S GROUP ERRORS AND OMISSIONS POLICY FIRM LICENSEE ENROLLMENT FORM

Your firm may enroll online at www.risceo.com and download its Certificate of Coverage immediately. Please note there is a nonrefundable \$5.00 fee for online enrollment. If your firm prefers to enroll by mail, please return this enrollment form with payment. Please complete the information below (including the bottom portion). PLEASE PRINT OR TYPE. Incomplete information may cause a delay in the issuance of coverage. All premium payments must be mailed to the address below unless you enroll online. Please do not submit your premium to the Colorado Real Estate Commission (CREC). Premium is fully earned on the inception date and no refunds are permitted after that date. We will verify coverage with the CREC. However, it is your firm's responsibility to provide verification to other commissions and entities. Please allow at least 10 business days for processing. 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.

Firm Name: <small>(exactly as appears on license)</small>	License: Prefix: #:
Address:	Email:
City, State, Zip:	Telephone #: () - (w)
DBA Name:	Telephone #: () - (h)
	Fax #: () -
	CSOS #: - - (optional) <small>Colorado Secretary of State Entity ID Number (Firm License Coverage Only)</small>

<u>Payment Type</u>	<u>Unit Price</u>	<u>Amount Due</u>
Premium (Coverage Expires 1/1/2013)	Please refer to Prorated Premium Chart	\$ _____
<i>OPTIONAL COVERAGES BELOW:</i> Please note the only optional coverage available to firm licensees is the conformity endorsement.		
Conformity: Circle all other mandated states where you firm is licensed and needs proof of E&O coverage. Your firm must be a Colorado entity to qualify for this coverage. Iowa Idaho Louisiana	\$20 (Regardless of the number of states at the time of issuance.)	
Total (add prorated premium + optional coverages)		\$ _____

To enroll by mail, please make your firm's check or money order payable to: RISC
Mail Enrollment Form and payment to: **PO Box 6709, Louisville, KY 40206-0709**
Overnight Deliveries to: **4211 Norbourn 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, it must be reported in writing immediately to your firm's insurance carrier before its current policy period expires.

The undersigned declares that the above statements and particulars are true and that the undersigned has not suppressed or misstated any material facts. The undersigned 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. The undersigned understands and agrees that the completion of this application does not bind the Company to issue a policy. The undersigned 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.

The undersigned understands that all premiums are fully earned at policy inception. The deductible will be due in accordance with the policy provisions. The undersigned agrees to reimburse the Company for any and all costs and expenses the Company incurs by employing a collection agency to collect any overdue deductible.

Coverage will be effective no sooner than the day after the postmarked date of the *completed application* (if your firm has no current coverage) or the expiration date of your firm's current coverage. Please indicate below if another coverage date is requested. Requested effective date, if different 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 (if applicable, please leave blank): _____.

FIRM NAME: _____

DATE: _____

By: _____
(Signature)

Print Name: _____

Title: _____

**Continental Casualty Company
Real Estate Errors and Omissions Insurance
Administered by Rice Insurance Services Company, LLC**

**COLORADO
Prorated Premium Chart
January 1, 2012 – January 1, 2013**

Effective Date of Coverage	Premium
JANUARY 2012	\$243
FEBRUARY 2012	\$223
MARCH 2012	\$203
APRIL 2012	\$182
MAY 2012	\$162
JUNE 2012	\$142
JULY 2012	\$122
AUGUST 2012	\$101
SEPTEMBER 2012	\$81
OCTOBER 2012	\$61
NOVEMBER 2012	\$41
DECEMBER 2012	\$20

**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.
There is a \$5 convenience fee for online enrollments.**

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 (Enrollment and Payment Information, Ext. 1; Claims Department, Ext. 2; Firm Excess, Ext. 3)
Fax: (502) 897-7174 Website: www.risceo.com Email: info@risceo.com**