



• We put the *Experience and Options* in E&O programs •
502-897-1876 / 1-800-637-7319
4211 Norbourne Blvd., Louisville, KY 40207-4048
P.O. Box 6709, Louisville, KY 40206-0709
www.risceo.com

Official Colorado State Real Estate Appraisers' Group Errors and Omissions (E&O) Program

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

ATTENTION COLORADO APPRAISER: Colorado law requires all active appraisers and appraiser applicants to maintain E&O insurance to cover all licensed activities. Appraisers employed by a local, state, or federal government entity are exempt from the E&O requirement. The state group program is only available to active certified general appraisers, certified residential appraisers, and licensed appraisers under C.R.S. Title 12, Article 61, Part 7. It is not available to appraiser management companies and does not insure services as a controlling appraiser for an appraisal management company. Insurance may be obtained outside of the group program, provided state requirements are met. **Always obtain and renew your E&O insurance timely to avoid administrative penalties and fines and to prevent a gap in coverage, which could lead to uncovered claims.**

Official State E&O Program: RISC is pleased to continue to provide the official state group E&O insurance program for Colorado appraisers. The insurance carrier for the group program is Continental, a CNA insurance company. We are confident our 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.

Policy Information: The group program provides the required limits of \$100,000 per claim and \$300,000 in the aggregate per appraiser with a \$500 damage deductible and no claim expense deductible. **The annual premium for the January 1, 2018 to January 1, 2019 group policy period is \$308 per appraiser. The premium is fully earned upon the policy's inception and cannot be refunded after that date.** Appraisers joining the group program after January may pay a prorated premium.

All appraisers are urged to read the entire policy, including the **Exclusions** section. A **Sample Policy, Brochure**, and information about **Optional Endorsements** are available on our website, www.risceo.com, or by calling us at (800) 637-7319 (ext. 1).

Enrollment: Appraisers may enroll online at www.risceo.com or by mail. To enroll by mail, send RISC the completed enrollment form (on back) and premium made payable to RISC. Late enrollment may cause a break in coverage and noncompliance with the mandatory insurance requirement.

Automatic Features:

-) **Discrimination Coverage:** Sublimits of \$100,000 per covered discrimination claim / \$200,000 aggregate (damages and claim expenses, combined)
-) **Lock Box Coverage:** Sublimits of \$10,000 per covered lock box claim / \$20,000 aggregate (damages and claim expenses, combined)
-) **Subpoena Assistance:** Up to \$2,500 (maximum during the policy period) in attorneys' fees to respond to a subpoena arising out of covered professional services.
-) **Regulatory Complaint Coverage:** Up to \$2,500 per covered regulatory complaint / \$5,000 aggregate (claim expenses)

Increased Limits of Liability: We offer three levels of increased limits:

1. \$300,000 per claim / \$600,000 aggregate – May be purchased at time of enrollment in the group program;
2. \$500,000 per claim / \$1,000,000 aggregate – May be purchased at time of enrollment in the group program; and
3. \$1,000,000 per claim / \$1,000,000 aggregate – To purchase, contact us at (800) 637-7319 (ext. 1) for a separate supplemental application form that requires additional information about claims history.

The carrier may request additional information before approving any increased limits endorsement. The carrier may also refuse to issue any increased limits endorsement for any reason, including a misrepresentation regarding type of appraisal activity or claims history.

Appraiser Trainee Endorsement: The group policy applies to the insured appraiser's professional services. It does not apply to services performed by anyone who is not a certified or licensed appraiser and assists in the collection of data or preparation of an appraisal, regardless of whether the person was under the direct supervision of a certified or licensed appraiser or whether the final appraisal was approved and signed by a certified or licensed appraiser. If you utilize or supervise appraisal trainees, you may be interested in purchasing an appraisal trainee endorsement, which changes the definition of insured to include specific appraiser trainees listed in the endorsement that are employed by you and assisting you in the performance of your profession services. A separate premium applies to each appraisal trainee listed. Because this is a claims-made-and-reported policy, an endorsement will only apply to a claim if the endorsement is in effect when a claim is actually made, which may be after this policy period expires. Therefore, you may want to consider continuing to purchase the endorsement for as long as you would like the coverage.

Claims-Made-and-Reported Policy: The policy is a claims-made-and-reported policy. It does not provide coverage for claims first made before the beginning or after the end of your individual policy period, unless an extended reporting period applies (see below). Nor does it provide coverage if, prior to the policy's inception date, you had a basis to believe that any act, error, or omission might reasonably be expected to be the basis of a claim. If you have notice of a claim or potential claim, report it immediately to your current carrier or risk not having coverage for the claim. All claims must be reported timely in accordance with the policy's requirements. Failure to do so 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.

Extended Reporting Period (ERP): Many professional liability claims arise years after the underlying transaction occurred; however the group policy only applies to claims made during the individual policy period or any applicable ERP (also known as "tail coverage"). **Automatic ERP.** If an appraiser's license or credential is retired, inactivated, or expired, the group policy automatically applies to claims first made and reported within 90 days of the policy's end date, if the subject error or omission occurred after the retroactive date and before the policy's end date. **Optional ERP Endorsement.** Appraisers who purchase insurance through the group program and do not renew for any reason may purchase an ERP endorsement within 90 days after the policy's end date. The premium for a 1-year, 2-year, or 3-year ERP Endorsement is 100%, 150%, or 200%, respectively, of expiring premium, including any endorsement premium. If you are interested in an ERP Endorsement, contact us at (800) 637-7319 (ext. 1) or visit our website, www.risceo.com.

Prior Acts Coverage: The "retroactive date" of your policy determines whether or not you have coverage for acts that occurred prior to your inception date. Your retroactive date is the date you first obtained, and since which have continuously maintained, E&O coverage, with no gaps (in other words, no break between policy periods). Even a one-day gap will preclude coverage of any professional services performed before and through the last day of the gap, even if coverage was in place when the services were performed and again when the claim arises. If you are switching to the group program from another insurer, it is very important to ensure there is no break between the time your prior policy ends and your insurance through the group policy begins. If you failed to purchase coverage timely, call RISC immediately to see if you qualify to backdate your insurance to the inception of the group policy period. This may avoid a gap in coverage and loss of your retroactive date. However, this will not correct any failure to comply with Colorado's mandatory insurance laws, so the Colorado Department of Regulatory Agencies may still assess fines and penalties.

Territory: Insured appraisers who are not domiciled in Colorado are insured for Colorado appraisals only.

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, a CNA insurance company. 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. ©2018



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APPRAISER ENROLLMENT FORM -- PRORATED

Do not submit your premium to the Colorado Department of Regulatory Agencies (DORA). We will verify coverage with DORA; it is your responsibility to provide verification to other entities. If you have questions or would like additional information, visit our website or call us at (800) 637-7319 (ext. 1).

APPRAISER INFORMATION: Incomplete or incorrect information may cause a delay in the issuance of your coverage and verification with DORA.

Appraiser:	Name of any Appraisal Firm* Appraiser Represents:	
Address:		
City:	State:	Zip:
License / Credential Type:	License / Credential No.:	
Phone (home / cell):	Phone (work):	
<input type="checkbox"/> If cell: Check here if you would like text reminders if/when that option is available.		
Fax:	Email**:	

*Appraisal Firm means a legal entity with which certified general appraisers, certified residential appraisers, or licensed appraisers, as defined in C.R.S. § 12-61-706, are affiliated and which employs the Appraiser. Appraisal Firm does not include an appraisal management company, as defined in C.R.S. §12-61-702. The policy includes in the definition of an insured "any Appraisal Firm that the Appraiser represents but only for its vicarious liability for the negligent acts, errors, or omissions or Discriminatory Conduct arising out of Professional Services by the Appraiser."

**We occasionally send important notices by email. To receive these notices, provide your current email address and add our email domain (@risceo.com) to your address book.

ENROLL ONLINE: Enroll online at www.risceo.com with a Visa or MasterCard and download a certificate of coverage immediately (a nonrefundable \$5 convenience fee applies).

ENROLL BY MAIL: Send this completed form (including the bottom portion) with your premium payment (check or money order payable to Rice Insurance Services Company, LLC) to either of the addresses below. Allow 7 – 10 business days for processing.

RISC, P.O. Box 6709, Louisville, KY 40206-0709 or RISC, 4211 Norbourne Blvd., Louisville, KY 40207-4048

BASIC POLICY		Unit Price	Amount Due
Prorated Premiums (2018 effective date – all policies expire January 1, 2019): Jan \$308 / Feb \$282 / Mar \$257 / Apr \$231 / May \$205 / June \$180 / July \$154 / Aug \$128 / Sept \$103 / Oct \$77 / Nov \$51 / Dec \$26		Prorated amounts at left	\$ _____
Limits of Liability: \$100,000 per claim / \$300,000 aggregate Deductible: \$500 (damages)			
OPTIONAL ENDORSEMENTS			
Appraiser Trainee Endorsement: Changes the definition of insured to include specific appraiser trainees listed in the endorsement. See reverse side for more information. <i>You <u>must</u> attach a list of appraisal trainees that you would like listed in the endorsement. A separate premium applies to each appraisal trainee listed.</i>		\$100 per appraiser trainee	
Increased Limits Endorsements: You may purchase only one of the following increased limit endorsements.			
<input type="checkbox"/> \$300,000 Per Claim / \$600,000 Aggregate <i>See below for instructions on selecting Premium A or Premium B</i>		A \$234 or B \$327	
<input type="checkbox"/> \$500,000 Per Claim / \$1,000,000 Aggregate <i>See below for instructions on selecting Premium A or Premium B</i>		A \$311 or B \$418	
<input type="checkbox"/> \$1,000,000 Per Claim / \$1,000,000 Aggregate <i>To request this endorsement, you must submit a supplemental application form (available by calling us at 1-800-637-7319, ext. 1), along with the additional information listed on the form.</i>		Contact RISC for the proper form	
Premium A: 75% or more* of your appraisal activity income is earned from Residential Appraisals** and you have had no claims*** in the past 5 years Premium B: Less than 75%* of your appraisal activity income is earned from Residential Appraisals** or you have had one or more claims*** in the past 5 years *To determine the percentage of your appraisal activity income derived from Residential Appraisals, divide your income derived from Residential Appraisals by the amount of your total appraisal activity income. **Residential Appraisals means appraisals of properties zoned for and occupied exclusively as residences for 4 families or less. Residential Appraisals also includes: (1) appraisals of vacant land, provided the land is zoned for residential use and is not a development project of 4 or more residences and (2) appraisals of farm property that will be a buyer's principal residence and where a buyer will derive no more than 25% of total income from farming. ***A claim (written demand for money or services, filing of suit, or institution of arbitration proceedings) made against you or your firm for your acts is considered a claim against you for purposes of calculating the endorsement premium. The carrier may refuse to issue any increased limits endorsement for any reason, including a misrepresentation regarding type of appraisal activity or claims history.			
TOTAL = Basic Policy Premium + Any Optional Endorsement Premium			\$ _____

If you have any knowledge of any claim or 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 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. 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. 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-and-reported basis.

Coverage will be effective the day we receive your *completed application* and premium. If you would like to request an effective date different than the day we receive your *completed application* and premium, provide the requested effective date: _____

The undersigned understands that all premiums are fully earned at policy inception and no refunds are permitted after that time. If your payment is returned for nonsufficient funds, you will be responsible for payment of any resulting fees or penalties assessed by the bank. The deductible shall be due in accordance with the policy provisions. The undersigned agrees to reimburse the Company for any and all costs and expenses it may incur by employing a collection agency to collect any overdue deductible.

SIGNATURE: _____

DATE: _____