

KENTUCKY REAL ESTATE COMMISSIONS' ERRORS & OMISSIONS INSURANCE PROGRAM
Administered by Rice Insurance Services Center, a division of Accretive Specialty Insurance Solutions, LLC and
Issued by Continental Casualty Company

2026 OPTIONAL ENDORSEMENT OVERVIEW

APPRAISAL ENDORSEMENT

In consideration of the additional premium paid to the Company, it is understood and agreed that the policy is amended as follows:

- I. The Section entitled **EXCLUSIONS**, the exclusion entitled Specified Activities, paragraph 2. is deleted in its entirety.
- II. The Section entitled **EXCLUSIONS**, the exclusion entitled Commission Disputes is deleted in its entirety and replaced with the following:

disputes over commissions or fees between real estate brokers, real estate salespersons, real estate sales associates, and/or appraisers or disputes over commissions or fees involving lawsuits initiated by the **Insured**. This exclusion does not apply to disputes over commissions or fees involving counterclaims filed with the approval of the Company;

- III. The Section entitled **DEFINITIONS**, the definition of **Professional Services** is amended by the addition of the following:

Professional Services also means services performed by the **Licensee** as a Kentucky licensed real estate appraiser, certified general appraiser, certified residential appraiser, licensed residential real property appraiser, or credentialed associate appraiser, provided all necessary licenses are held by the **Licensee** at the time of the act, error, or omission giving rise to the **Claim**.

- IV. The Section entitled **DEFINITIONS**, the definition of Real Estate Firm is amended by the addition of the following:

Real Estate Firm also means a legal entity with which real estate appraisers are affiliated and which the **Licensee** works for or represents.

This endorsement does not apply to any **Claim** if the **Licensee** does not hold an active license, certificate, or credential issued by the Kentucky Real Estate Appraisal Board, pursuant to K.R.S. Chapter 324A, at some point during the **Individual Policy Period**.

Additionally, this endorsement does not apply to any **Claim** made prior to the effective date of the endorsement or after the expiration of the **Individual Policy Period** or any applicable Extended Reporting Period. If prior to the effective date of this endorsement any **Insured** had a reasonable basis to believe a **Claim** may arise, then this endorsement shall not apply to such **Claim** or **Related Claim**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

APPRAISAL TRAINEE ENDORSEMENT

In consideration of the additional premium paid to the Company, it is understood and agreed that the policy is amended as follows:

- I. The Section of the policy entitled **DEFINITIONS**, the definition of **Insured** is amended by the addition of the following new language:

Insured also means the **Associate Appraiser** listed in the Schedule below, but only while (a) employed by the **Licensee** and acting under the **Licensee's** supervision and control and (b) assisting the **Licensee** in the performance of the **Licensee's Professional Services** as a Kentucky licensed or certified real estate appraiser, provided that all necessary licenses are held by the **Licensee** at the time of the act, error, or omission giving rise to the **Claim**.

- II. The Section of the policy entitled **DEFINITIONS** is amended by the addition of the following new definition:

Associate Appraiser means an individual credentialed as an associate appraiser under the Kentucky Real Estate Appraisal Board, who assists in the collection of data or preparation of an appraisal, is employed by the **Licensee**, and is under the **Licensee's** supervision or control, provided the **Associate Appraiser** holds all necessary licenses or certificates at the time of the act, error, or omission giving rise to the **Claim**.

- III. Solely with respect to a **Claim** made against an **Associate Appraiser**:

- A. This endorsement shall not apply to any **Claim** made prior to the effective date of the endorsement or after the expiration of the **Individual Policy Period** or any applicable Extended Reporting Period; and
- B. If, prior to the effective date of this endorsement, any **Insured** had a reasonable basis to believe a **Claim** may arise, then this endorsement shall not apply to such **Claim** or **Related Claim**.

IV. SCHEDULE OF ASSOCIATE APPRAISERS:

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA97681KY (1-20)

CONFORMITY ENDORSEMENT

In consideration of the additional premium paid, it is understood and agreed that the policy is amended as follows:

Notwithstanding anything to the contrary in the policy, the terms and conditions of coverage herein shall be altered to conform to the minimum requirements for real estate errors and omissions insurance established by the States listed below, provided that: (1) the **Licensee** holds a current real estate license in such States and (2) the negligent acts, errors or omissions arise out of the rendering of **Professional Services** in such States.

Applies to following States: «EndField1»

Only those terms and conditions specifically addressed in the minimum requirements of the statutes, rules, and regulations of the States listed above are altered.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA81010KY (4-15)

DEVELOPED/CONSTRUCTED BY SPOUSE ENDORSEMENT

In consideration of the additional premium paid, solely with respect to a **Developed/Constructed by Spouse Claim**, it is understood and agreed that:

I. The Declarations Page of the policy is amended to include the following new Item:

SUBLIMITS DEVELOPED/CONSTRUCTED BY SPOUSE:

- (a) \$100,000.00 per **Licensee** per **Developed/Constructed by Spouse Claim (Damages)**
- (b) \$1,000,000.00 Aggregate all **Developed/Constructed by Spouse Claims** per **Licensee (Damages)**

II. The Section of the policy entitled **LIMITS OF LIABILITY** is amended to include the following:

The Company's Sublimit of Liability for **Damages** for each **Developed/Constructed by Spouse Claim** per **Licensee** shall not exceed the per **Developed/Constructed by Spouse Claim** Sublimit stated in the Declarations. The Company's Sublimit of Liability for **Damages** for all **Developed/Constructed by Spouse Claims** for each **Annual Policy Term** per **Licensee** shall not exceed the Aggregate **Developed/Constructed by Spouse Claim** Sublimit set forth in the Declarations. **Damages** paid within the **Developed/Constructed by Spouse Claim** Sublimits of Liability are included within, and not in addition to, the per **Claim** Limit of Liability and the Aggregate Limit of Liability under Item 3 of the Declarations.

III. Section of the policy entitled **EXCLUSIONS**, the exclusion entitled **Developed / Constructed Property**, is amended by the addition of the following exception to the exclusion:

Except that this exclusion shall not apply to a **Developed/Constructed by Spouse Claim** until the **Developed/Constructed by Spouse Claim** Sublimit of Liability has been exhausted, provided that

1. the **Licensee** was not involved in the construction or development and had no ownership or financial interest in the property (other than a marital interest);
2. the **Licensee** did not own or control more than a ten percent (10%) ownership interest in the entity, corporation, partnership, or trust that constructed or developed the property;
3. a home warranty was purchased by or for the buyers prior to closing;
4. prior to closing, if required by law, a seller disclosure form was signed by the buyers and sellers;
5. prior to closing, the **Licensee's** relationship to the **Licensee's** spouse or **Domestic Partner** was disclosed and acknowledged in writing by all parties to the sale or listing for sale;
6. prior to closing, the **Licensee's** spouse's or **Domestic Partner's** role as builder or developer or the **Licensee's**, the **Licensee's** spouse's, or the **Licensee's Domestic Partner's** ownership or financial interest in the entity, partnership, corporation, or trust that built or developed the property was disclosed and acknowledged in writing by the buyers;
7. prior to closing, a written home inspection report was (i) obtained by or for the buyers; (ii) from an inspector duly licensed under State law who is not related to or affiliated with an **Insured**; **Insured's** spouse, or **Domestic Partner**; or an entity, partnership, or trust in which an **Insured** or **Insured's** spouse or **Domestic Partner** owned or controlled a financial or ownership interest; and (iii) acknowledged in writing by all buyers;
8. a State or local board approved standard listing agreement and a State or local board approved standard sales contract was utilized; and
9. the sale or listing for sale was performed under and subject to applicable real estate license law.

IV. The Section of the policy entitled **DEFINITIONS** is amended by the addition of the following new definitions:

Developed/Constructed by Spouse Claim means a **Claim** arising from the sale or listing for sale of **Residential Property** constructed or developed by any of the following: the **Licensee's** spouse; the **Licensee's Domestic Partner**; or any entity, corporation, partnership, or trust in which the **Licensee's** spouse, or **Domestic Partner** owned or controlled more than a ten percent (10%) financial or ownership interest.

Residential Property means a single-family residence or multi-family residences with four (4) or fewer units other than the **Licensee's Primary Residence**.

This endorsement does not apply to any **Claim** made prior to the effective date of the endorsement or after the expiration of the **Individual Policy Period** or any applicable Extended Reporting Period. If prior to the effective date of this endorsement any **Insured** had a reasonable basis to believe a **Claim** may arise, then this endorsement shall not apply to such **Claim** or **Related Claim**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA103201KY (1-22)

FRANCHISE ENDORSEMENT

In consideration of the premium paid for this policy, it is understood and agreed as follows:

In the event that the **Licensee** is affiliated with «EndField1», then «EndField2» meets the definition of a **Real Estate Firm** under Section **VIII. DEFINITIONS** of the policy and, therefore, is included within Section **VIII. DEFINITIONS**, the definition of **Insured**, Subsection 5., of the policy.

There shall be no coverage afforded to such entity as a result of its independent acts, errors, or omissions.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA81013KY (4-15)

INCREASED LIMITS OF LIABILITY ENDORSEMENT \$250,000 PER CLAIM / \$1,000,000 AGGREGATE

In consideration of the additional premium paid, it is understood and agreed that the following amendment is made to the Declarations only as respects the **Licensee** named below and only as respects a **Claim** first made against such **Licensee** and reported to the Company in writing after the effective date of this endorsement:

The following item of the Declarations is deleted in its entirety and replaced by the following:

ITEM 3. LIMITS OF LIABILITY

- (a) \$250,000 per **Licensee** per **Claim**
- (b) \$1,000,000 Aggregate all **Claims** per **Licensee**

This endorsement does not apply to any **Claim** made prior to the effective date of the endorsement or after the expiration of the **Individual Policy Period** or any applicable Extended Reporting Period. If prior to the effective date of this endorsement any **Insured** had a reasonable basis to believe a **Claim** may arise, then the increased Limits of Liability provided by this endorsement shall not apply to such **Claim** or any **Related Claim**.

Nothing herein shall serve to increase any amounts provided under Section **IV. SUPPLEMENTARY PAYMENTS** or any Sublimits of Liability.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA81016KY (4-15)

INCREASED LIMITS OF LIABILITY ENDORSEMENT \$500,000 PER CLAIM / \$1,000,000 AGGREGATE

In consideration of the additional premium paid, it is understood and agreed that the following amendment is made to the Declarations only as respects the **Licensee** named below and only as respects a **Claim** first made against such **Licensee** and reported to the Company in writing after the effective date of this endorsement:

The following item of the Declarations is deleted in its entirety and replaced by the following:

ITEM 3. LIMITS OF LIABILITY

- (a) \$500,000 per **Licensee** per **Claim**
- (b) \$1,000,000 Aggregate all **Claims** per **Licensee**

This endorsement does not apply to any **Claim** made prior to the effective date of the endorsement or after the expiration of the **Individual Policy Period** or any applicable Extended Reporting Period. If prior to the effective date of this endorsement any **Insured** had a reasonable basis to believe a **Claim** may arise, then the increased Limits of Liability provided by this endorsement shall not apply to such **Claim** or any **Related Claim**.

Nothing herein shall serve to increase any amounts provided under Section **IV. SUPPLEMENTARY PAYMENTS** or any Sublimits of Liability.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA81017KY (4-15)

**INCREASED LIMITED FEES, COSTS AND EXPENSES COVERAGE
REAL ESTATE REGULATORY COMPLAINT SUPPLEMENTARY PAYMENT ENDORSEMENT - KENTUCKY**

In consideration of the additional premium paid, it is understood and agreed that the policy is amended as follows:

- I.** The Section titled **SUPPLEMENTARY PAYMENTS**, Subsection E., is deleted in its entirety and replaced by the following:
- E.** The Company will pay a maximum of \$5,000.00 with respect to fees, costs, and expenses resulting from the investigation, adjustment, defense, and appeal for each complaint to a real estate regulatory board or commission against an **Insured**, provided that:
1. a **Claim** covered by this policy has been made involving the same negligent act, error, or omission or a **Related Negligent Act, Error, or Omission** or, alternatively, if no **Claim** has been made, the **Insured** first receives such complaint during the **Individual Policy Period** or any applicable Extended Reporting Period;
 2. the complaint arises from **Professional Services** that occurred after the **Licensee's Retroactive Date** and before the effective date of cancellation or nonrenewal of the **Individual Policy Period**;
 3. the complaint would otherwise be covered under this policy if the matter arose to a **Claim**; and
 4. the complaint does not allege, arise from, or relate to a negligent act, error, or omission or **Related Negligent Act, Error, or Omission** which is the subject of a **Claim** that is not covered by this policy.

It is further provided that the **Insured** shall have the following duties under this Supplemental Payment:

1. The **Insured** shall give the Company written notice of the complaint by any of the methods listed in Section XI. **THE INSURED'S DUTIES IF THERE IS A CLAIM** within the **Individual Policy Period** or any applicable Extended Reporting Period, but no more than twenty (20) days after the **Insured** first becomes aware of such complaint to a real estate regulatory board or commission.
2. The **Insured** shall cooperate with the Company and, at the Company's request, the **Insured** shall assist the Company in responding to the complaint. The **Insured** shall attend hearings and help in securing and giving evidence at the Company's request.

Unless a circumstance, **Claim**, or **Related Claim** involving the **Professional Services** has previously been reported in writing to the Company, any written notice to the Company of a complaint to a real estate regulatory board or commission shall be deemed notification of a circumstance under Section XII. **CIRCUMSTANCE REPORTING**.

The amount payable under this provision shall be subject to a \$5,000.00 Aggregate Limit, which will be the maximum amount the Company will pay in each **Individual Policy Period** regardless of the number of complaints, number of **Insureds** subject to such complaints, and even if the duration of the investigation, adjustment, defense or appeal lasts more than one **Annual Policy Term**. All complaints arising out of the same negligent act, error, or omission or **Related Negligent Acts, Errors, or Omissions**, whenever made, shall be considered a single complaint first made within the **Individual Policy Period** in which the earliest of the complaints was first made. The Company shall not pay any **Damages** awarded by a regulatory board or commission; return or restitution of fees, commissions, expenses, or costs; injunctive or declaratory relief;

fines; penalties; punitive, exemplary, or multiplied damages; or matters deemed uninsurable under applicable law.

- II. This endorsement does not apply to any complaint to a regulatory board or commission made prior to the effective date of the endorsement or after the expiration of the **Individual Policy Period** or any applicable Extended Reporting Period. If prior to the effective date of this endorsement, any **Insured** had a reasonable basis to believe a complaint to a regulatory board or commission may arise, then the increased supplementary payment provided by this endorsement shall not apply to such complaint or any complaint that is temporally, logically, or causally connected by any common fact, circumstance, situation, transaction, event, advice, or decision.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA113215KY (12-25)

OPTIONAL EXTENDED REPORTING PERIOD ENDORSEMENT

In consideration of the additional premium paid, it is understood and agreed that the following Optional Extended Reporting Period as set forth in the Section of the policy entitled **EXTENDED REPORTING PERIODS**, Paragraph B, shall apply:

From: _____ To: _____

The Optional Extended Reporting Period set forth above shall apply unless the **Insured** fails to pay the premium when due. The premium for the Optional Extended Reporting Period shall be:

- 1. due and payable as set forth in the policy; and
- 2. fully earned by the Company on the inception date of the Optional Extended Reporting Period as set forth above and no refunds will be permitted after that time.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA81011KY (1-20)

**RESIDENTIAL PERSONAL INTEREST COVERAGE ENDORSEMENT
(With Sublimits)**

In consideration of the additional premium paid, it is understood and agreed that:

Solely with respect to the coverage provided by this Endorsement,

- I. The Declarations Page of the policy is amended to include the following new Item:

SUBLIMITS RESIDENTIAL PERSONAL INTEREST CLAIM:

- (a) \$100,000.00 per **Licensee** per **Residential Personal Interest Claim (Damages)**
- (b) \$1,000,000.00 Aggregate all **Residential Personal Interest Claims** per **Licensee (Damages)**

- II. The Section of the policy entitled **LIMITS OF LIABILITY** is amended to include the following:

The Company's Sublimit of Liability for **Damages** for each **Residential Personal Interest Claim** per **Licensee** shall not exceed the per **Residential Personal Interest Claim** Sublimit stated in the Declarations. The Company's Sublimit of Liability for **Damages** for all **Residential Personal Interest Claims** per **Licensee** for each **Annual Policy Term** shall not exceed the Aggregate **Residential Personal Interest Claim** Sublimit set forth in the Declarations. **Damages** paid within the **Residential Personal Interest Claim** Sublimits of Liability are included within, and not in addition to, the per **Claim** Limit of Liability and the Aggregate Limit of Liability under Item 3 of the Declarations.

III. The Section of the policy entitled **EXCLUSIONS**, the exclusion entitled Owned or Purchased Property, is amended by the addition of the following exception to the exclusion:

In addition, this exclusion shall not apply to a **Residential Personal Interest Claim** until the **Residential Personal Interest Claim** Sublimit of Liability has been exhausted, provided that

- i. the **Residential Property** was owned for at least one hundred eighty (180) days by the **Licensee**; the **Licensee's** spouse or **Domestic Partner**; or any entity, corporation, partnership, or trust in which the **Licensee** or **Licensee's** spouse or **Domestic Partner** has or had a financial or ownership interest;
- ii. the property was not constructed or developed by the **Licensee**; the **Licensee's** spouse or **Domestic Partner**; or any entity, corporation, partnership, or trust in which the **Licensee** or **Licensee's** spouse or **Domestic Partner** has or had a financial or ownership interest;
- iii. a state or local board approved standard sales contract was used;
- iv. prior to closing,
 - a. a home warranty was purchased by or for the buyer;
 - b. if required by law, a seller disclosure form was signed by the buyer;
 - c. if the **Residential Property** was owned by the **Licensee's** spouse or **Domestic Partner**, the relationship between the **Licensee** and the **Licensee's** spouse or **Domestic Partner** was disclosed to and acknowledged by the buyer in writing;
 - d. if the **Residential Property** was owned by an entity, corporation, partnership, or trust in which the **Licensee** or **Licensee's** spouse or **Domestic Partner** has or had a financial or ownership interest, the relationship between the **Licensee**; **Licensee's** spouse or **Domestic Partner**; and the entity, corporation, partnership, or trust was disclosed to and acknowledged by the buyer in writing;
 - e. the ownership or financial interest of the **Licensee**; **Licensee's** spouse or **Domestic Partner**; or entity, corporation, partnership, or trust in the **Residential Property** was disclosed to and acknowledged by the buyer in writing; and
 - f. a licensed inspector who was not related to or affiliated with the **Licensee**; the **Licensee's** spouse or **Domestic Partner**; or any entity, corporation, partnership, or trust in which the **Licensee** or **Licensee's** spouse or **Domestic Partner** has or had a financial or ownership interest issued a written home inspection report that the buyer acknowledged in writing;
- v. the sale or listing was performed under and subject to applicable real estate license law; and
- vi. prior to the effective date of this endorsement, no **Insured** had a basis to believe that any negligent act, error or omission, or **Related Negligent Act, Error, or Omission** might reasonably be expected to be the basis of a **Claim** against the **Insured**;

IV. Solely with respect to the coverage provided by this endorsement, the Section entitled **DEFINITIONS** is amended by the addition of the following new definitions:

Residential Personal Interest Claim means a **Claim** arising from the sale or listing for sale of **Residential Property** other than the **Licensee's Primary Residence**.

Residential Property means a single-family residence or multi-family residences with four (4) or fewer units other than the **Licensee's Primary Residence**.

This endorsement does not apply to any **Claim** made prior to the effective date of the endorsement or after the expiration of the **Individual Policy Period** or any applicable Extended Reporting Period. If prior to the effective date of this endorsement any **Insured** had a reasonable basis to believe a **Claim** may arise, then this endorsement shall not apply to such **Claim** or any **Related Claim**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

CNA103203KY (1-22)

SAMPLE