



**COLORADO REAL ESTATE COMMISSION'S (CREC'S)
GROUP ERRORS & OMISSIONS (E&O) PROGRAM**

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

502-897-1876 / 1-800-637-7319
4211 Norbourne Blvd, Louisville, KY 40207
PO Box 6709, Louisville, KY 40206
www.risceo.com

RISC is pleased to continue to provide the CREC's group real estate E&O insurance program, tailored to exceed state requirements. We are dedicated to providing exceptional real estate E&O insurance services to Colorado real estate licensees.

BASIC POLICY only \$229

Limits of Liability of \$100,000 per claim / \$300,000 aggregate with a \$1,000 damage deductible and no deductible for defense costs.

Increased Limits Available to individual (not firm) licensees.

\$250,000 per claim / \$750,000 aggregate (\$189 additional premium) -or- \$500,000 per claim / \$1,000,000 aggregate (\$309 additional premium).

Firm Excess Policies Available to firms whose licensees are all insured through the group program.

\$1,000,000 limits (written by Continental Casualty Company, subject to underwriting approval. RISC Excess Dept. 1-800-637-7319, Ext. 3.)

AUTOMATICALLY INCLUDED IN BASIC POLICY

First Dollar Defense – Applies WITH NO CONDITIONS to covered claims.

Defense Outside Limits – There is NO LIMIT on the amount of defense costs the carrier will pay in connection with claims covered under the basic policy limits (defense costs are limited under the limited regulatory complaints and subpoena coverages; however, most traditional E&O policies did not provide these coverages at all).

Expanded Definition of Professional Services – In addition to services requiring a Colorado real estate broker license, insured professional services include (1) services performed or advice given (including as a notary public and as a real estate consultant or counselor) in connection with licensed activity, (2) market analyses and valuations for listing a property or guiding a buyer in making an offer, and (3) broker price opinions.

Firm / Team NEW FOR 2021 / Franchise Coverage – Real estate firm, team, and franchisor included in the definition of insured for vicarious liability for covered claims.

Retroactive / Prior Acts Coverage – Insures prior transactions, provided you have maintained continuous real estate E&O insurance (from any provider) from the date of the professional services to the date the claim arises. Some carriers may not insure services performed while you were with a different carrier or associated with a different real estate firm.

OPTIONAL ENDORSEMENTS AVAILABLE TO INDIVIDUAL (NOT FIRM) LICENSEES

Appraisal (\$140) – Adds insurance for licensed appraisal activity. Eligibility requirements: (1) active Colorado real estate license and (2) active Colorado appraiser license / credential.

Appraiser Trainee (\$140 per appraiser trainee) – Adds specific appraiser trainees listed in the endorsement as insureds (must also purchase an appraisal endorsement).

Contingent Bodily Injury / Property Damage (\$30) – \$10,000 per claim & aggregate (damages & defense costs, combined) for bodily injury and property damage claims that arise from professional services (conditions apply).

Developed / Constructed by Spouse Endorsement (\$250) – Sublimits of liability of \$100,000 per developed / constructed by spouse claim / \$300,000 aggregate for claims relating to the sale or listing for sale of residential property constructed or developed by the licensee's spouse under certain conditions.

Property Management (\$25) – The group policy insures professional services that require a real estate license, such as renting and leasing real property. This endorsement expands the definition of professional services to include additional, specified services that do not require a real estate license but are often performed by property managers, such as collecting rents and processing evictions.

OPTIONAL ENDORSEMENT AVAILABLE TO INDIVIDUAL AND FIRM LICENSEES

Conformity Endorsement (\$20) – Available to individual and firm licensees who are actively licensed in another mandated state to conform coverage under the Colorado group policy to comply with the other state's E&O requirements. To be eligible, you must be actually domiciled in Colorado or treated as domiciled in Colorado under the policy.

WHERE COVERAGE APPLIES

For licensees domiciled in Colorado, the policy applies to professional services provided anywhere the licensee is duly licensed, provided the services would require a real estate license had they been performed in Colorado. Licensees not actually domiciled in Colorado or not considered to be domiciled in Colorado under the policy are insured only for professional services rendered in Colorado.

RISK REDUCTION MATERIAL, ONLINE ENROLLMENT, SAMPLE POLICY FORMS, AND ADDITIONAL INFORMATION AVAILABLE ON OUR WEBSITE, WWW.RISCEO.COM. CONTACT US WITH ANY QUESTIONS OR CONCERNS – WE ARE ALWAYS HAPPY TO HELP.

Spousal / Domestic Partner Coverage – Your spouse or domestic partner considered an insured in certain situations.

Subpoena Coverage – \$5,000 per subpoena & aggregate (attorneys' fees).

Discrimination / Fair Housing Claim Sublimits – \$30,000 per discrimination claim & aggregate (damages with unlimited defense costs **ENHANCED FOR 2021**); option to increase with Endorsement Bundle.

Escrow / Earnest Money Claim Sublimits – \$10,000 per escrow claim / \$25,000 aggregate (damages with unlimited defense costs **ENHANCED FOR 2021**).

Lock Box Claim Sublimits – \$100,000 per lock box claim / \$300,000 aggregate (damages with unlimited defense costs).

Primary Residence Sublimits – \$100,000 per primary residence claim (involving the sale or listing for sale of the insured licensee's primary residence, provided the sale or listing is performed under the licensee's real estate license and supervised by the licensee's real estate firm) / \$300,000 aggregate.

Regulatory Complaints Coverage – \$2,500 per regulatory complaint / \$5,000 aggregate (defense costs); option to increase with Endorsement Bundle.

Endorsement Bundle (\$15) – Includes the following 5 endorsements:

Environmental – \$10,000 per claim alleging the insured's failure to detect, report, or assess the effects of or advise of the existence of pollutants, fungi, or microbes / \$20,000 aggregate (damages & defense costs, combined).

Residential Personal Interest – Sublimits \$100,000 per residential personal interest claim (involving the sale or listing for sale of residential property owned by the licensee, the licensee's spouse, or a company owned by the licensee under certain conditions) / \$300,000 aggregate.

Increased Discrimination / Fair Housing Sublimits – Increases sublimits to \$50,000 per discrimination claim & aggregate (damages with unlimited defense costs **ENHANCED FOR 2021**).

Increased Regulatory Complaints Coverage – Increases coverage to \$5,000 per regulatory complaint / \$5,000 aggregate (defense costs).

Supplemental Coverage Security Breach Notification – Reimbursement to the real estate firm, regardless of number of licensees involved, up to a maximum \$5,000 for costs incurred to provide required notification to clients of a security breach when information may have been disclosed or used in an unauthorized manner. This is not coverage for personal identity theft risk, which is not a professional liability risk and which is usually offered to individuals by personal insurance policy providers and credit card companies.



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Please Support Your State Program

More than **\$30 Million** in defense costs and damages have been incurred as of September 30, 2020 since RISC began administering the Colorado state group program in 2004. RISC and the carrier share a commitment to their insureds and providing valuable coverage to Colorado licensees. When shopping for insurance coverage, it's important to ask about the company's experience and paid claims in Colorado. If a company is charging a very low amount, you may find the carrier doesn't provide much coverage or pay many claims.

The state group program offers affordable E&O insurance to each and every licensee by spreading the risk over a large number of insureds. Without the group program's low premium, other carriers have no incentive to offer real estate E&O policies at affordable prices. In states without a group program, real estate E&O premiums may cost thousands of dollars and some licensees report being unable to obtain insurance at any price.

Rely on the Most Experienced Provider in the Business

The Rice family and their colleagues have specialized in mandated real estate E&O programs since 1989. We provide group policies in the vast majority of states that have group programs and require licensees to maintain insurance. CNA has more than 50 years of experience in E&O programs, including over 30 years in real estate E&O. CNA is the top provider of real estate liability insurance, delivering more than 100 years of experience, industry knowledge, and financial strength to manage even the most complex risks. You can be confident we will be here for you even after you purchase coverage.

When a Claim is Made, Our In-House Adjusters Focus on You

Some people assume insurance companies look for reasons to deny coverage. Our duty to find coverage where the policy supports it is our utmost concern. Most insurance providers use one entity to sell the policy and another to handle claims. Because we do both, the information we provide about the policy reflects how it will actually apply in the event of a claim. Providers who don't administer claims may not know how the carrier actually applies the policy when a claim is made.

We Stand by You Even if there is a Claim

You may be involved in a claim even if you did everything by the book. Some providers won't write your coverage if you have had a claim. Or if you have a claim, they may not renew your policy! There is no need to fear reporting a claim under our program. We understand having a claim does not mean you did anything wrong. Anyone can be involved in a transaction that goes sour. Never think it can't happen to you. And we are here to help you if it does.

Our Website Makes Everything Easier

We are dedicated to exceptional customer service. Our website, www.risceo.com, makes it easy and convenient to enroll in the group policy, learn more about the group program, and find risk reduction information. Take a look at our website and learn how RISC puts the Experience and Options in E&O programs.

Questions?

Visit our website, www.risceo.com or contact us at 1-800-637-7319.
We are always happy to hear from Colorado licensees.

E&O Providers are Not All the Same... Neither are All E&O Policies

Always Review the Actual Policy Provisions!

The most accurate representation of what a policy covers is the policy itself. We recommend that you review any policy you are considering and ask these questions:

Does the policy provide first dollar defense? Yes. There is no deductible for defense costs. Other policies may have stringent requirements that must be followed to qualify for first dollar defense.

Does the policy offer unlimited defense costs? Yes. There is no limit on the amount of defense costs under the basic policy (defense costs are limited under the regulatory complaints and subpoena coverages; however, most traditional E&O policies did not provide these coverages at all).

Does the policy insure transactions you do for relatives? Yes. The RISC policy applies to claims involving services performed for your and your spouse's relatives. This is important, since buyers and sellers often turn to a trusted relative who is a real estate licensee.

Does the policy apply to claims relating to all types of real property? Yes. The group policy applies to any claim relating to professional services, regardless of the type of property involved. Other policies may limit coverage to only residential property or require additional premium for coverage for other kinds of property. Even if you currently handle only residential transactions, consider whether you are willing to forgo an opportunity to work with commercial property or farmland or to risk not having coverage for a claim resulting from the transaction.

Does the policy insure your firm for its vicarious liability for your professional services? Yes. Claims are often made against real estate firms as a result of their licensees' negligence. The group policy applies to covered claims alleging the firm's vicarious liability for negligence of the insured licensee. Some policies for licensees may not provide coverage for the firm's vicarious liability, which may leave the firm uncovered in the event of a claim.

Does the policy allow you a voice in choosing an attorney? Yes. The group policy provides defense counsel must be mutually agreeable to the insured and the carrier, so the carrier cannot assign an attorney you do not agree to represent you in a covered claim.

Are insureds satisfied with the provider's service? Yes. Below are excerpts from actual emails we have received from Colorado insureds:

Thank you for all of the hard work and effort you put in. [We] were both so appreciative of everything you & RISC did to help us – we felt like you were truly in our corner. You never know how good a company is until you really need them – RISC was a shining star. A.G.

I've never seen better service than what you provide for us each year. I ask for something and it's always answered by the end of the day. I wish all companies had your work ethic. I know I'm not the only one asking many questions and you're always there. Thank you. B.F.

My sincere thanks to [the RISC adjuster] for her professional, timely, and compassionate handling of my situation. I have never gone through this...but at this point, I feel that I am in excellent hands with [local defense counsel] and his firm. G.R.

[T]hank you for going the extra mile. M.C.

WOW!!!! I am completely blown away by how quickly and efficiently you [provide service]. You and your team are truly the best! T.J.