



**IOWA REAL ESTATE COMMISSION'S (IREC's)
GROUP ERRORS AND OMISSIONS (E&O) PROGRAM**

Administered by Rice Insurance Services Center (RISC)
A Division of AssuredPartners NL, LLC
Issued by Continental Casualty Company

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

RISC is pleased to continue to provide the IREC's group real estate E&O insurance program for Iowa licensees. After 25+ years of service to real estate licensees, exceeding our insureds' expectations remains our top priority. The insurance carrier, Continental Casualty Company, a CNA insurance company, is rated "A Excellent" by A.M. Best.

BASIC POLICY only \$144

Limits of Liability – \$100,000 per claim / \$100,000 aggregate with NO deductible.

Increased Limits Available to Individual (Not Firm) Licensees

\$250,000 per claim / \$750,000 aggregate (\$78 additional premium) or \$500,000 per claim / \$1,000,000 aggregate (\$140 additional premium).

AUTOMATICALLY INCLUDES

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

Defense Outside Limits – NO LIMIT on the amount of defense costs the carrier will pay in connection with claims covered under the basic policy (except under the subpoena and regulatory complaints supplementary coverages, which were traditionally not covered at all under many E&O policies).

Expanded Definition of Professional Services – The definition of professional services includes property management and services performed or advice given (including as a notary public and as a real estate consultant or counselor) in connection with licensed activity.

Firm / Team / Franchise Coverage – Real estate firm, real estate team, and franchisor insured for vicarious liability for covered claims.

Spousal Coverage – Licensee's spouse or domestic partner considered an insured in certain situations.

Retroactive / Prior Acts Coverage – Insures prior transactions, provided you have maintained continuous real estate E&O insurance from the date of the professional services to the date the claim is first made.

Discrimination / Fair Housing Sublimits – \$25,000 per discrimination claim / \$25,000 aggregate (damages).

Environmental Sublimits – \$10,000 per environmental claim / \$20,000 aggregate (damages).

Escrow / Earnest Money Sublimits – \$5,000 per escrow claim / \$10,000 aggregate (damages).

Lock Box Sublimits – \$5,000 per lock box claim / \$10,000 aggregate (damages).

Primary Residence Sublimits – \$100,000 per primary residence claim / \$100,000 aggregate for claims 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 their real estate firm.

Subpoena Coverage – Up to \$2,500 in attorneys' fees in connection with a covered subpoena (\$2,500 maximum for all subpoenas).

Regulatory Complaints Coverage – \$2,500 per regulatory complaint / \$5,000 aggregate (defense costs).

Security Breach Supplementary Payment Coverage – Reimbursement up to \$5,000 to the real estate firm for costs incurred to provide required notification of a security breach when information may have been disclosed or used in an unauthorized manner (\$5,000 maximum regardless of the number of licensees or incidents involved). This is not personal identity theft risk coverage.

OPTIONAL ENDORSEMENTS AVAILABLE TO INDIVIDUAL (NOT FIRM) LICENSEES

Appraisal Endorsement \$200 – Active Iowa real estate licensees who also have an active appraiser license may purchase an appraisal endorsement to add licensed appraisal services to the activity insured by the group policy.

Appraiser Trainee Endorsement \$200 per appraiser trainee – Adds specific appraiser trainees listed as insureds under the supervising appraiser's insurance for services assisting with the supervising appraiser's professional services. Eligibility Requirement: must also purchase an appraisal endorsement.

Contingent Bodily Injury / Property Damage Endorsement \$25 – Sublimits of \$10,000 per claim / \$10,000 aggregate for damages and defense costs, combined, for bodily injury and property damage claims that arise from professional services under certain conditions.

Residential Personal Interest \$30 – Sublimits of \$100,000 per residential personal interest claim / \$100,000 aggregate for claims relating to 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.

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

OPTIONAL ENDORSEMENT AVAILABLE TO INDIVIDUAL AND FIRM LICENSEES

Conformity \$20 – Conforms the insured licensee's coverage under the Iowa group policy to comply with the E&O requirements in another mandated state where you hold an active real estate license. To be eligible, you must be actually domiciled in Iowa or treated as domiciled in Iowa under the policy.

WHERE INSURANCE APPLIES

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

FIRM EXCESS COVERAGE, Subject to Underwriting Approval

Firm excess policies with \$1,000,000 limits available to firms whose licensees are all insured through the group program.

RISK REDUCTION MATERIAL

Available on our website. We incorporate our knowledge of the policy and extensive claims handling experience into educational articles and videos.

Visit our website, www.risceo.com, for online enrollment, sample policy and endorsement forms, and additional information. Feel free to contact us with any questions or concerns. We are always happy to hear from Iowa licensees.



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Please Support Your State Program

Over **\$10.8 Million** in defense costs and damages have been incurred as of September 1, 2021 since the current carrier began issuing the Iowa state group program in 2003. RISC and the carrier share a commitment to their insureds and providing valuable coverage to Iowa licensees. When shopping for insurance coverage, it's important to ask about the company's experience and paid claims in Iowa. 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 50+ years of experience in E&O programs, including 30+ years in real estate E&O. CNA is the top provider of real estate liability insurance, delivering 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 that 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.

All E&O Providers are Not 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 you review any policy you are considering and ask these questions:

Does the policy provide first dollar defense? Yes. Under the RISC policy, there is no deductible for damages or 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. Under the RISC policy, there is no limit on the amount of defense costs available to pay covered claims (except under subpoena and regulatory complaint coverages, which were not traditionally covered at all under many E&O policies).

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

Does the policy apply to claims relating to all types of real property? Yes. The RISC policy applies to any claim relating to professional services, regardless of the type of property involved. Other policies may limit coverage to a specific type of property, such as residential, 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 professional services? Yes. Claims are often made against real estate firms as a result of their licensees' negligence. Under the RISC policy, the insured licensee's policy applies to covered claims alleging the firm's vicarious liability for negligence in the licensee's professional services. Some policies issued to individual licensees may not provide coverage for the firm's vicarious liability for their actions, which may leave the firm uncovered in the event of a claim.

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

Rice Insurance Services has consistently responded to our needs in a timely and professional manner. With the current atmosphere of frequent litigation, it is very important to our survival as a real estate service provider to have access to this level of quality when the need arises for insurance coverage. M.G., Iowa insured

I have had many occasions to work with RISC, and I always have received timely professional service. I have consistently found RISC's management and staff to be friendly, cooperative and fair. J.J., general counsel for large Iowa real estate firm

Questions?

Call us at 1-800-637-7319 or visit our website at www.risceo.com. We look forward to hearing from you.



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NOTICE - Iowa law requires that all active real estate licensees, including firms, carry and maintain E&O insurance to cover all licensed activities. New licensees must obtain insurance before their license can be activated. Licensees may purchase insurance outside of the group program, as long as coverage meets state requirements and proof of coverage is provided to the IREC as required by state law. If you are currently enrolled in the IREC's group policy, your coverage expires January 1, 2022. If enrolling by mail, send your enrollment form and payment by Monday, November 22, 2021 to allow time for processing and return of your proof of coverage by mail (online enrollment is encouraged). However, licensees may enroll through December 31, 2021 with no administrative penalty. Licensees who do not have insurance for the January 1, 2022 to January 1, 2023 policy period by January 1, 2022 may be in violation of licensing law and subject to IREC penalties and fines.

PROTECTION FROM THE MOST EXPERIENCED PROVIDER IN THE BUSINESS - RISC's management team has been involved in state-mandated real estate E&O insurance programs longer than any other group in the business. This program is specially tailored to meet the specific needs of Iowa licensees. The insurance carrier is Continental, a CNA insurance company. RISC's experience and excellent claims service, combined with CNA's strong financial performance and ratings (rated "A" by A.M. Best), ensures a quality program.

OPTION FOR RENEWING E&O COVERAGE FOR MULTIPLE LICENSEES - Companies with 10+ licensees can request a Multiple Licensee Renewal Form to electronically submit enrollment information for all the firm's licensees timely and expediently.

REVIEW THE FOLLOWING IMPORTANT INFORMATION AND SIGN BELOW

What Is and Is Not Covered - We urge all licensees to review a sample policy, including the Exclusions section. A sample policy and additional information are available on our website, www.risceo.com, or by calling us toll-free at 1-800-637-7319, ext. 1.

This is a Claims-Made-and-Reported Policy - There is no coverage for claims first made before the beginning or after the end of your individual policy period. If you have any knowledge of a claim; potential claim; or any act, error, omission, fact, or situation that may give rise to a claim against you or your company, it must be reported in writing immediately to your insurance carrier before your current policy period expires. Failure to do so may jeopardize any coverage that would have otherwise been available. Any claim under the group policy must be reported to us in writing during the individual policy period in which it is first made against the insured. For further instructions and a notice of claim form, visit our website, www.risceo.com, then select the "Resources" tab and click "Forms" or call us toll-free at 1-800-637-7319, ext. 2.

Prior Acts and Importance of Timely Renewal - Your "retroactive date" determines whether your insurance applies to claims involving services performed before the new policy's effective date. The retroactive date is the date from which you have continuously maintained uninterrupted E&O insurance with no breaks between policy periods. Even a one-day gap will result in loss of coverage for ALL professional services performed before the new policy's effective date, even if you had E&O insurance when the services were provided and again when the claim arises. If you fail to enroll timely, call RISC immediately to see if you qualify to backdate your individual policy period to January 1, 2022 (subject to approval, \$20 cost if requested more than 60 days after group policy inception). This procedure will not remedy noncompliance with mandatory insurance laws, which will result in penalties and fines.

Not Renewing Coverage through RISC's Program? Consider an Optional Extended Reporting Period (ERP) Endorsement - There is no coverage for claims that arise after the end of your individual policy period unless an ERP is in place. Claims often arise years after the subject transaction occurred. If you are not renewing coverage for any reason (e.g., inactivating / retiring your license or switching to another provider), you should consider purchasing an ERP endorsement. We offer optional 1, 2, 3, or 5 year ERP endorsements to extend the policy's reporting date to apply to claims that are first made and reported within that period. An ERP endorsement may only be purchased any time during or up to 90 days after the end of your individual policy period. For licensees insured under the 2022 group policy, ERP Endorsements will be available within 90 days of its expiration date.

Territory - Licensees domiciled in Iowa are insured for real estate services performed anywhere they hold an active real estate license, provided the services would require a real estate license if performed in Iowa. Licensees not domiciled in Iowa are insured for Iowa transactions only. Out-of-state licensees may be considered domiciled in Iowa if their principal real estate license is affiliated with a real estate office in Iowa and they reside within 50 miles of the Iowa state line. See the Territory section of the policy for more information.

Effective Date - Licensees who enroll before January 1, 2022 will have an effective date of January 1, 2022. Licensees who enroll after January 1, 2022 will have an inception date of the day we receive the licensee's completed application and premium. Licensees not currently enrolled in the current group policy may request a different inception date (after January 1, 2022) for Continental's consideration:

Premium / Deductible - All premiums are fully earned at policy inception and no refunds are permitted after that date. If your payment is returned for nonsufficient funds, you are responsible for payment of any resulting bank fees or penalties. The deductible will be due in accordance with the policy. Applicant agrees to reimburse Continental for any and all costs and expenses it incurs by employing a collection agency to collect any overdue deductible.

Applicant has reviewed and understands the information contained herein. Applicant declares that the above statements are true and that Applicant 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. 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-and-reported basis. Applicant understands and agrees that the completion of this application does not bind the Company to issue a policy.

COMPLETE IF ENROLLING BY MAIL
LICENSÉE SIGNATURE DATE



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NOTICE – Iowa law requires that all active real estate licensees (including firm licensees) carry and maintain E&O insurance to cover all licensed activities. Licensees may purchase insurance outside of the group program, as long as coverage meets state requirements and proof of coverage is provided to the IREC as required by state law. **Licensees who do not have insurance in place for the January 1, 2022 to January 1, 2023 policy period by January 1, 2022 may be in violation of licensing law, and the IREC may issue penalties and fines.**

ENROLL ONLINE – www.risceo.com with a Visa or MasterCard, download a certificate of coverage immediately (\$5 nonrefundable convenience fee applies).

ENROLL BY MAIL – Send completed form (both pages) with a check or money order payable to RISC by **Monday, November 22, 2021** to allow time for processing and return of your proof of coverage by mail.

Mailing Address RISC, P.O. Box 6709, Louisville, KY 40206-0709	Overnight Delivery RISC, 4211 Norbourne Blvd., Louisville, KY 40207-4048
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LICENSEE INFORMATION – Correct any incorrect information and fill in any blanks. Failure to do so may delay issuance of your coverage and confirmation to the IREC. *This form is for individual licensees only. Firm licensees should use the firm enrollment form.*

Licensee Name	License Type	License Number
Company		Last 4 of SSN
Address		
City	State	ZIP
Cell Phone <input type="checkbox"/> Check to receive text reminders if / when that option is available	Work Phone	Home Phone
Fax	Email*	

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

BASIC POLICY

BASIC PREMIUM – January 1, 2022 to January 1, 2023 **Limits of Liability –** \$100,000 per claim / \$100,000 aggregate **Deductible –** \$0 **\$144** ✓

OPTIONAL ENDORSEMENTS – This is a claims-made-and-reported policy. An endorsement will only apply to a claim if the endorsement is in effect when the claim is first made, which may be after this policy period expires. You should consider continuing to purchase an endorsement for as long as you would like the coverage to apply (provided you continue to meet any eligibility requirements).

Appraisal Endorsement – Adds licensed appraisal services to the activity insured by the group policy.
Eligibility requirements: (1) an active real estate license and (2) an active appraisal license.
Appraisal License #: _____ **\$200**

Appraiser Trainee Endorsement – If you are a supervising appraiser and would like to add insurance for associate appraisers acting under your supervision and control while they are assisting you in your performance of professional services as a Iowa licensed or certified real estate appraiser, you may purchase this endorsement to change the definition of insured to include specific associate appraisers listed in the endorsement. Eligibility requirements: the supervising appraiser must have (1) an active real estate license, (2) an active appraisal license, and (3) purchase an appraisal endorsement (above). You must attach a list of appraiser trainees you would like listed in the endorsement. A separate premium applies to each appraisal trainee listed. **\$200 per trainee**

Conformity Endorsement – Conforms your coverage under the IA policy to comply with the E&O requirements in another mandated state where you hold an active real estate license. Eligibility requirement: you must be actually domiciled in IA or treated as domiciled in IA by the policy terms.
Please circle applicable state(s): **AK CO ID KY LA MS MT NE NM ND RI SD TN* WY**
Other State License Type: _____ / Other State License #: _____ (identify state if more than one)
** Eligibility for TN conformity is limited by TN regulations. Contact RISC if you need coverage for a TN license.* **\$20** regardless of number of states at issuance

Contingent Bodily Injury / Property Damage Endorsement – \$10,000 per bodily injury and property damage claim that arises from professional services / \$10,000 aggregate for damages and defense costs, combined, under certain conditions. **\$25**

Residential Personal Interest Coverage Endorsement – Sublimits of \$100,000 per residential personal interest claim / \$100,000 aggregate for claims relating to 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. **\$30**

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

Increased Limits Endorsements – You may purchase ONLY ONE of the following:

Increased Limits \$250,000 per claim / \$750,000 aggregate	\$78
Increased Limits \$500,000 per claim / \$1,000,000 aggregate	\$140

Basic Premium	\$ 144
+ Optional Endorsement Premium (If Any)	\$ _____
TOTAL	\$ _____