



IDAHO REAL ESTATE COMMISSION'S (IREC'S)  
GROUP ERRORS AND OMISSIONS (E&O) PROGRAM  
Administered by Rice Insurance Services Company, LLC (RISC)  
Issued by Continental Casualty Company (Continental)

502-897-1876 / 1-800-637-7319  
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PO Box 6709, Louisville KY 40206-0709  
www.risceo.com

The IREC awarded RISC the contract to continue to provide the group real estate E&O insurance program for Idaho licensees. With more than 20 years of service to the IREC and its licensees, we continue to exceed our insureds' expectations by offering excellent customer service and insurance specially tailored for Idaho licensees. The insurance carrier is Continental, a CNA insurance company (rated "A" Excellent by A.M. Best). Idaho law requires all active real estate licensees (individuals and firms) to maintain continuous E&O coverage.

#### BASIC POLICY only \$155

**Limits of Liability** – \$100,000 per claim/\$300,000 aggregate, with a \$1,000 damages deductible and no defense cost deductible.

**Increased Limits** – \$250,000 per claim/\$500,000 aggregate (\$112 additional premium) and \$500,000 per claim/\$1,000,000 aggregate (\$251 additional premium) available to individual (not firm) licensees.

#### AUTOMATICALLY INCLUDES

**Firm / Team / Franchise Coverage:** Real estate firm, real estate team, and real estate franchisor included in the definition of insured for vicarious liability for covered claims.

**Unlimited Defense Costs** – NO LIMIT on the amount of defense costs the carrier will pay for claims covered under the basic policy.

**NEW Escrow/Earnest Money Sublimits** – \$5,000 per escrow claim/\$10,000 aggregate with unlimited defense costs.

**NEW Environmental Sublimits** – \$10,000 per environmental claim/\$20,000 aggregate with unlimited defense costs.

**NEW Fair Housing/Discrimination Sublimits** – \$25,000 per discrimination claim/\$25,000 aggregate with unlimited defense costs.

**Lock Box Sublimits** – \$5,000 per lock box claim/\$10,000 aggregate with unlimited defense costs.

**NEW Expanded Definition of Professional Services** – In addition to services requiring an Idaho real estate license, insured professional services include leasing and property management, broker price opinions, and services performed or advice given by the licensee, including as a notary public, and as a real estate consultant or counselor in connection with the services as a real estate licensee.

**Retroactive/Prior Acts Coverage** – Insures prior services, provided the licensee has continuous real estate E&O insurance from the date of the professional service to the date the claim is first made.

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

**NEW Subpoena Coverage** – \$2,500 in attorneys' fees to represent the insured in connection with a covered subpoena.

**NEW Primary Residence Coverage** – Provides coverage for the sale or listing for sale of the insured licensee's primary residence, under certain conditions.

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

**NEW Security Breach Coverage** – Up to \$5,000 for costs incurred by the licensee's firm if it is required to notify clients of a security breach when confidential commercial information or nonpublic personal information may have been disclosed or used in an unauthorized manner. Maximum limit of \$5,000 per real estate firm, regardless of the number of licensees or incidents involved.

#### OPTIONAL ENDORSEMENTS AVAILABLE TO INDIVIDUAL (NOT FIRM) LICENSEES

**Appraisal Endorsement** – Up to policy limits available to individuals with both an active real estate and an active appraiser license to add coverage for services as a licensed appraiser. (\$200)

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

**NEW Appraisal Trainee Endorsement** – Adds specific appraiser trainees listed in the endorsement as insureds. (Must also purchase appraisal endorsement). (\$200 per appraiser trainee)

**NEW Residential Personal Interest Endorsement** – \$100,000 per claim / \$300,000 aggregate sublimits for claims 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. (\$15)

#### OPTIONAL ENDORSEMENT AVAILABLE TO INDIVIDUAL AND FIRM LICENSEES

**Conformity Endorsement** – Only licensees with active real estate licenses in other states that have group programs and require the licensee to maintain real estate E&O insurance need a conformity endorsement. Available to licensees who are domiciled in Idaho or treated as domiciled in Idaho under the policy terms to conform their insurance under the Idaho group policy to comply with state-specific E&O requirements in other mandated states where they are actively licensed. (\$15)

#### WHERE COVERAGE APPLIES

For licensees domiciled in Idaho, the group 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 Idaho. Licensees not domiciled in Idaho or considered to be domiciled in Idaho under the policy terms are only insured for professional services rendered in Idaho.

#### FIRM EXCESS COVERAGE (Subject to Underwriting Approval)

Firm excess policies with limits up to \$1,000,000 available to firms whose licensees are all insured through the group program (written by Continental Casualty Company).

#### RISK REDUCTION MATERIAL AVAILABLE AT WWW.RISCEO.COM

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

Visit [www.risceo.com](http://www.risceo.com) to enroll online, view sample policy and endorsement forms, and obtain additional information.

Feel free to contact us with any questions or concerns. We are always happy to hear from Idaho licensees.

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 Idaho. ©2019

## Please Support Your State Program

Over **\$7.3 Million** in defense costs and damages have been incurred by Continental Casualty Company (a CNA insurance company) on behalf of Idaho licensees as of June 1, 2019 since 2004. Rice Insurance Services Company, LLC and Continental share a commitment to provide valuable coverage to Idaho licensees. When shopping for insurance, it's important to ask about a company's experience and paid claims in Idaho. 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. 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, with more than 100 years in the insurance business, 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 Claims 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 when a claim is made. 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 reason 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 that it can't happen to you. And we are here for you if it does.

## All E&O Policies Are Not the Same . . . Neither Are All E&O Providers

**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.** There is no deductible for defense costs, so there is no cost to the insured unless there is a damage award or settlement. Other policies may have stringent requirements to qualify for first dollar defense.

**Does the policy offer unlimited defense costs? Yes.** There is no limit on the amount of defense costs available to pay covered claims under the basic policy. (Limited defense costs apply under the regulatory complaints and subpoena coverages, which were not traditionally covered at all under many E&O policies.)

**Does the policy insure transactions you do for relatives? Yes.** The policy applies to claims involving professional services performed for your parents; grandparents; siblings; aunts; uncles; cousins; children; domestic partner; or spouse's parents, grandparents, siblings, or children. This is important, since buyers and sellers often turn to a trusted relative to represent them in a transaction.

**Does the policy apply to claims relating to all types of real property? Yes.** The policy applies to any claim relating to professional services, regardless of the type of property involved. Other policies may limit coverage to a specific property type, 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.

**Are insureds satisfied with the provider? Yes.** Below are excerpts from actual emails we've received from insureds:

*Thank you, thank you, thank you. Your swift response only reinforces my faith in your coverage and service. R.F. (Idaho)*

*I want to express my thanks to you. When you are in this "situation" there are a number of emotions that seem overwhelming . . . . While I know we didn't do anything wrong, I cannot tell you how appreciative I am of the service that you and RISC offer. Not only have you saved us but you have been so kind in your communications. . . . Also, I feel your insurance company provided us with a more professional and knowledgeable attorney that we could have had access to on our own. S.A. (Idaho)*

*"One does not find this good of service very often." R.H. (Idaho)*

**Have Questions?** Call us at 1-800-637-7319 or visit our website at [www.risceo.com](http://www.risceo.com). We look forward to hearing from you.



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**NOTICE – E&O insurance is required of all active status Idaho real estate licensees (including firm licensees). If your firm is currently enrolled in the IREC's group program, your firm's coverage expires October 1, 2019 at 12:01 a.m. MT. Failure to purchase E&O insurance by Monday, September 30, 2019 at 11:59:59 p.m. MT will result in violation of Idaho license law, license inactivation, and civil penalties and fines. Licensees may purchase insurance outside the group program, provided coverage meets state requirements and proof of coverage is provided to the IREC as required by state law.**

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**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 Idaho licensees. The insurance carrier is Continental Casualty Company, a CNA insurance company. RISC's experience and excellent claims service, combined with Continental Casualty Company's strong financial performance and ratings (rated "A" by A.M. Best), ensures a quality program.

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### REVIEW THE FOLLOWING IMPORTANT INFORMATION

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**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](http://www.risceo.com), or by calling us toll-free at 1-800-637-7319, ext. 1.

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**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 firm's individual policy period. If your firm has 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 firm, it must be reported in writing immediately to your firm's insurance carrier before your firm's 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. Further instructions and a notice of claim form are available online form at [www.risceo.com/notice-of-claim-form](http://www.risceo.com/notice-of-claim-form) or by calling us toll-free at 1-800-637-7319, ext. 2.

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**Prior Acts and Importance of Timely Renewal –** Your firm's "retroactive date" determines whether your firm's insurance applies to claims involving services performed before the policy's effective date. The retroactive date is the date from which your firm has 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 your firm had E&O insurance when the services were provided and again when the claim arises. If your firm fails to enroll timely, call RISC immediately to see if your firm qualifies to backdate its individual policy period to October 1, 2019. This procedure will not remedy noncompliance with mandatory insurance laws, which will result in penalties and fines.

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**If Your Firm is Not Renewing –** There is no coverage for claims that arise after the end of the individual policy period unless an extending reporting period (ERP) is in place. Claims often arise years after the subject transaction occurred. If your firm is not renewing coverage for any reason, (e.g. inactivating/retiring its license or switching to a firm policy), your firm should consider purchasing an ERP endorsement. We offer 1, 2, 3, and 5 year ERP endorsements to extend the reporting date to apply to claims that are first made and reported within that period. An ERP endorsement may be purchased any time during or up to 90 days after the end of your firm's individual policy period.

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**Territory –** Licensees domiciled in Idaho are insured for professional services performed anywhere they hold an active real estate license, provided the services would require a real estate license if performed in Idaho. Licensees domiciled outside of Idaho are insured for Idaho transactions only. Out-of-state licensees may be considered domiciled in Idaho if their principal real estate license is affiliated with a real estate office located in Idaho and they reside within 50 miles of the Idaho state line. Please see the policy's Territory Section for more information.

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**Effective Date –** Licensees that enroll before October 1, 2019 will have an October 1, 2019 inception date. The inception date for licensees that enroll after October 1, 2019 will be the date we receive the licensee's *completed application and premium*. Licensees not enrolled in the current group policy may request a different inception date (after October 1, 2019) for Continental's consideration: \_\_\_\_\_

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

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 FIRM ENROLLMENT FORM**

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

NOTICE		
<b>Active status Idaho real estate licensees who fail to purchase E&amp;O insurance by Monday, September 30, 2019 at 11:59:59 p.m. MT will be in violation of Idaho license law and will incur civil penalties and fines. If your firm is currently enrolled in the IREC's group program, your firm's coverage expires October 1, 2019 at 12:01 a.m. MT. Licensees may purchase insurance outside the group program, provided coverage meets state requirements and proof of coverage is provided to the IREC as required by state law.</b>		
HOW TO ENROLL		
<b>ONLINE</b> – At <a href="http://www.risceo.com">www.risceo.com</a> with a Visa or MasterCard and download a certificate of coverage immediately (a \$5 nonrefundable convenience fee applies to online enrollment).		
<b>MAIL</b> – Send completed form with a check or money order payable to RISC by <u>Monday, September 16, 2019</u> to allow us time to process your firm's enrollment and provide proof of coverage to the IREC.		
<b>Mailing Address</b> RISC, PO Box 6709, Louisville, KY 40206-0709	<b>Overnight Delivery</b> RISC, 4211 Norbourne Blvd, Louisville, KY 40207-4048	
FIRM LICENSEE INFORMATION		
<b>Correct any incorrect information and fill in any blanks. Failure to do so may delay issuance of coverage and confirmation to the IREC.</b>		
Firm Licensee Name:	License Type:	License No.:
D/B/A:	EIN:	
Address:		
City:	State:	Zip Code:
Phone (circle one: 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*:	
<small>*We occasionally send important notices by email. To receive them, provide your firm's current email address and add our email domain, <a href="mailto:@risceo.com">@risceo.com</a>, to your firm's address book.</small>		
SELECT DESIRED COVERAGES BELOW		
<b>BASIC POLICY (October 1, 2019 to October 1, 2020)</b> <b>Limits of Liability</b> – \$100,000 per claim / \$300,000 aggregate <b>Deductible</b> – \$1,000 Damages / No Deductible for Defense Costs	<b>\$155</b>	<input checked="" type="checkbox"/>
<b>Conformity Endorsement:</b> Conforms your firm's insurance through the ID policy to meet E&O requirements of other states that require firm licensee coverage where your firm has an active real estate license. Must be domiciled in ID or treated as domiciled in ID by the policy terms to purchase.  Please circle applicable state(s): <b>CO IA LA</b> Other State License Type: _____ / Other State License #: _____ (identify state if more than one)	<b>\$15</b> (Regardless of number of states at issuance)	
	<b>BASIC PREMIUM</b>	<b>\$155</b>
	<b>+ OPTIONAL ENDORSEMENT PREMIUM (IF ANY)</b>	<b>\$ _____</b>
	<b>TOTAL DUE</b>	<b>\$ _____</b>

Applicant has reviewed both pages of form 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.

**SIGNATURE OF PERSON WITH AUTHORITY FOR FIRM:** \_\_\_\_\_

**PRINT NAME:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

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