



**KENTUCKY REAL ESTATE COMMISSIONS' ERRORS & OMISSIONS INSURANCE PROGRAM**  
Administered by Rice Insurance Services Company, LLC and Issued by Continental Casualty Company

**2020 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.

**DEVELOPED/CONSTRUCTED BY SPOUSE ENDORSEMENT**

It is understood and agreed that:

I. Section **VI. EXCLUSIONS**, the exclusion entitled K. Developed/Constructed Property, is deleted in its entirety and replaced with the following:

K. Developed/Constructed Property

**Professional Services** relating to property constructed or developed by any of the following: an **Insured**; **Insured's** spouse or **Domestic Partner**; or any entity, corporation, partnership, or trust in which the **Insured** or **Insured's** spouse or **Domestic Partner** owned or controlled more than a ten percent (10%) financial or ownership interest.

Except that this exclusion shall not apply to:

1. any **Claim** arising from the sale or listing for sale of **Residential Property** constructed or developed by a **Licensee's** spouse or **Domestic Partner**; or
2. 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;

provided that:

- a. the **Licensee** was not involved in the construction or development and did not own or control more than a ten percent (10%) financial or ownership interest in the entity, corporation, partnership or trust that constructed or developed the property;
- b. a home warranty was purchased by or for the buyer prior to closing;
- c. prior to closing, if required by law, a seller disclosure form was signed by the buyer and seller;
- d. the **Licensee's** spouse's or **Domestic Partner's** relationship to the builder or developer was disclosed and acknowledged by the buyer prior to closing;
- e. a written home inspection report was issued by a licensed inspector who is not related to or affiliated with the **Licensee** or **Licensee's** spouse or **Domestic Partner** and acknowledged by the buyer prior to closing;
- f. a state or local board approved standard sales contract was utilized; and
- g. the sale or listing was performed under and subject to applicable real estate license law.

II. Section **VIII. DEFINITIONS** is amended by the addition of the following new definition:

**Residential Property** means a single-family residence or multi-family residences with four (4) or fewer units.

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.

**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)

### 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

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

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

**SUBLIMITS RESIDENTIAL PERSONAL INTEREST:**

- (a) \$100,000 per **Licensee** per **Residential Personal Interest Claim (Damages)**
- (b) \$1,000,000 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** 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:

except that 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. prior to closing, a home warranty was purchased by or for the buyer;
- iv. prior to closing, if required by law, a seller disclosure form was signed by the buyer;
- v. prior to closing, 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 in writing to and acknowledged by the buyer;
- vi. a licensed inspector who was not related to or affiliated with the **Licensee** issued a written home inspection report that the buyer acknowledged prior to closing;
- vii. a state or local board approved standard sales contract was used;
- viii. the sale or listing was performed under and subject to applicable real estate license law; and
- ix. 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. The Section of the policy 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.

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.

CNA81015KY (1-20)