



LOUISIANA REAL ESTATE COMMISSION'S 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 for this endorsement, it is understood and agreed that the following amendments are made to the policy:

1. Section **VI. EXCLUSIONS** is amended as follows:
 - A. Exclusion N. Specified Activities, Paragraph 2. is deleted in its entirety.
 - B. Exclusion Y. is deleted in its entirety and replaced with the following new exclusion:
 - Y. Prior or Subsequent Acts negligent acts, errors, or omissions committed or alleged to have been committed either:
 1. prior to the date the **Insured** received an active real estate license or real estate appraisal license; or
 2. subsequent to the effective date of suspension, revocation, or inactive status of the **Insured's** real estate license or real estate appraisal license;
2. Section **VIII. DEFINITIONS** is amended as following:
 - A. The definition of **Licensee** is amended to add the following:

Licensee also means the person who holds an active real estate appraiser license issued by the Louisiana Real Estate Appraisers Board and who has paid the required premium.
 - B. The definition of **Professional Services** is amended to add the following:

Professional Services also means services performed by the **Licensee** as a residential certified real estate appraiser, general certified real estate appraiser, or real estate appraiser trainee as defined in Louisiana real estate appraisers law and for which the **Licensee** is required to have an appraiser license, provided all necessary licenses are held by the **Licensee** at the time of the act, error, or omission giving rise to the **Claim**.
 - C. The definition of **Real Estate Firm** is amended to add the following:

Real Estate Firm also means a legal entity with which appraisers, as defined in Louisiana real estate appraisers law, are affiliated and which employs the **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 this endorsement shall not apply to such **Claim** or **Related Claim**.

All other terms and conditions of the Policy remain unchanged.

CONFORMITY ENDORSEMENT

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

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

States: «EndField1»

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.

CNA71151XX (10-12)

DEVELOPED/CONSTRUCTED BY SPOUSE 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 DEVELOPED/CONSTRUCTED BY SPOUSE:

- (a) \$100,000 per **Licensee** per **Developed/Constructed by Spouse Claim (Damages)**
- (b) \$300,000 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** 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. The 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

- a. the **Licensee** was not involved in the construction or development and had no ownership or financial interest in the property;
- b. the **Licensee** 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;
- c. a home warranty was purchased by or for the buyer prior to closing;
- d. prior to closing, if required by law, a seller disclosure form was signed by the buyer and seller;
- e. 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;
- f. 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;
- g. a state or local board approved standard sales contract was utilized; and
- h. the sale or listing 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.

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.

CNA96132LA (10-19)

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 the definition of **Insured** under Section **VIII. DEFINITIONS**, Subsection 5. of the policy.

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

All other terms and conditions of the Policy remain unchanged.

CNA71153LA (10-12)

INCREASED LIMITS OF LIABILITY ENDORSEMENT \$250,000 PER CLAIM / \$750,000 AGGREGATE ALL CLAIMS

In consideration of the additional premium paid, it is understood and agreed that the following amendment is made to the policy Declarations Page 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 and before the expiration date of this endorsement:

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

- ITEM 3. LIMITS OF LIABILITY**
- (a) \$250,000 per **Licensee** per **Claim (Damages)**
 - (b) \$750,000 Aggregate all **Claims** per **Licensee (Damages)**

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. Nothing herein shall serve to increase any Sublimits of Liability shown on the Declarations Page or any amounts provided under Section **IV. SUPPLEMENTARY PAYMENTS** of the Policy. 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 **Related Claim**.

All other terms and conditions of the Policy remain unchanged.

CNA71374XX (10-12)

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

In consideration of the additional premium paid, it is understood and agreed that the following amendment is made to the policy Declarations Page 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 and before the expiration date of this endorsement:

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

ITEM 3. LIMITS OF LIABILITY (a) \$500,000 per **Licensee** per **Claim (Damages)**
(b) \$1,000,000 Aggregate all **Claims** per **Licensee (Damages)**

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. Nothing herein shall serve to increase any Sublimits of Liability shown on the Declarations Page or any amounts provided under Section **IV. SUPPLEMENTARY PAYMENTS** of the Policy. 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 **Related Claim**.

All other terms and conditions of the Policy remain unchanged.

CNA71375XX (10-12)

**LIMITED CLAIM EXPENSES COVERAGE
REAL ESTATE REGULATORY COMPLAINTS ENDORSEMENT**

In consideration of the additional premium paid, it is understood and agreed that Section **IV. SUPPLEMENTARY PAYMENTS** is amended by the addition of the following new paragraph:

The Company will pay a maximum of \$2,500 with respect to **Claim Expenses** incurred in the handling of a complaint to a real estate regulatory board or commission, provided that:

1. the complaint arises from an act, error, or omission that would otherwise be covered by the policy;
2. the **Professional Services** occurred after the **Licensee's Retroactive Date**; and
3. the **Insured** notifies the Company within twenty (20) days of receipt of such complaint and provides the Company with a copy of such complaint.

The amount payable under this provision shall be subject to a \$5,000 Aggregate Limit during the **Individual Policy Period** for **Claim Expenses**. In addition, the \$5,000 amount is the maximum payable, regardless of the number of **Insureds**, complaints, or even if a complaint spans more than one **Individual Policy Period**. The Company shall not pay any **Damages** arising from such complaints. 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**.

If prior to the effective date of this endorsement any **Insured** had a reasonable basis to believe a regulatory complaint or **Claim** may arise, then this endorsement shall not apply to such regulatory complaint.

All other terms and conditions of the Policy remain unchanged.

CNA71320XX (10-12)

RESIDENTIAL PERSONAL INTEREST COVERAGE ENDORSEMENT

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

- I. The Section entitled **EXCLUSIONS**, the exclusion entitled Owned or Purchased Property, is amended by the addition of the following:

This exclusion also does not apply to any **Claim** arising from the sale or listing for sale of **Residential Property**, which is not the **Licensee's Primary Residence**, provided that:

- i. the property was owned for at least one hundred eighty (180) days by the **Licensee**; the **Licensee's** spouse; or any entity, corporation, partnership, or trust in which the **Licensee**, or **Licensee's** spouse has or had a financial or ownership interest;
- ii. the property was not constructed or developed by the **Licensee**; the **Licensee's** spouse; or any entity, corporation, partnership, or trust in which the **Licensee** or **Licensee's** spouse 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, any ownership or financial interest of the **Licensee** or **Licensee's** spouse in the **Residential Property** and the entity, corporation, partnership, or trust which owned the **Residential Property** was disclosed to and acknowledged by the buyer in writing;
- vi. a licensed inspector who was not related to or affiliated with the **Licensee** or **Licensee's** spouse issued a written home inspection report that the buyer acknowledged in writing prior to closing;
- vii. a state or local board approved standard sales contract was utilized;
- 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 Act, Error, or Omission** might reasonably be expected to be the basis of a **Claim** against the **Insured**.

- II. Solely with respect to the coverage provided by this endorsement, the Section entitled **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.

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**.

All other terms and conditions of the Policy remain unchanged.

CNA 79398LA (8-17)

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 Section **VII. EXTENDED REPORTING PERIODS**, Subsection B. of the policy shall apply:

From _____ To: _____

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

1. due and payable as set forth in the policy; and
2. fully earned by us on the inception date of the 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.

CNA71152XX (10-12)