

MISSISSIPPI REAL ESTATE COMMISSION'S ERRORS & OMISSIONS INSURANCE PROGRAM
Administered by Rice Insurance Services Company, LLC and Issued by Continental Casualty Company

2018 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:

I. Section **VI. EXCLUSIONS**, Item N.2. is deleted in its entirety.

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

Appraisal Firm means a legal entity with which licensed certified general real estate appraisers or licensed certified residential real estate appraisers, as defined in the Mississippi Real Estate Appraiser Licensing and Certification Act, are affiliated to provide real estate appraisal activity, as defined in the Mississippi Real Estate Appraiser Licensing and Certification Act, and which employs the **Licensee**. **Appraisal Firm** does not include an appraisal management company, as defined in the Mississippi Appraisal Management Company Registration Act.

III. Section **VIII. DEFINITIONS**, **Insured** is deleted and replaced with the following:

Insured means the following:

1. the **Licensee**;
2. the **Unlicensed Employee**;
3. the heirs, executors, administrators, or assigns of the **Licensee** in the event of the **Licensee's** death, incapacity, or bankruptcy but only to the extent that such **Licensee** would have been provided coverage under this policy;

When this policy provides coverage for a **Claim** made against any of its **Insureds** listed in 1, 2, or 3 above, **Insured** will also mean

4. any **Real Estate Firm**, real estate franchisor, **Real Estate Team**, or **Appraisal Firm** that the **Licensee** represents but only for its vicarious liability for the negligent acts, errors, or omissions arising out of **Professional Services** by the **Licensee**.

IV. Section **VIII. DEFINITIONS**, **Professional Services** is amended to add the following:

Professional Services also means services performed by the **Licensee** as a licensed general real estate appraiser or licensed certified residential real estate appraiser, as defined in the Mississippi Real Estate Appraiser Licensing and Certification Act, provided that all necessary licenses are held by the **Licensee** at the time of the act, error, or omission giving rise to the **Claim**.

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.

CNA85321MS (4-16)

APPRAISAL TRAINEE ENDORSEMENT

In consideration for the additional premium paid to the Company, it is understood and agreed that:

I. The Section of the policy entitled **DEFINITIONS**, the definition of **Insured**, is deleted in its entirety and replaced with the following:

Insured means the following:

1. the **Licensee**;

2. the **Unlicensed Employee**;
3. the **Appraisal Trainees** listed in the Schedule below, but only while (a) employed by the **Licensee**, (b) acting under the **Licensee's** supervision and control, and (c) assisting the **Licensee** in the performance of the **Licensee's Professional Services**;
4. the heirs, executors, administrators, or assigns of the **Licensee** in the event of the **Licensee's** death, incapacity, or bankruptcy but only to the extent that such **Licensee** would have been provided coverage under this policy;

When this policy provides coverage for a **Claim** made against any of its **Insureds** listed in 1, 2, 3, or 4 above, **Insured** will also mean:

5. any **Real Estate Firm**, real estate franchisor, **Real Estate Team**, or **Appraisal Firm** that the **Licensee** represents but only for its vicarious liability for the negligent acts, errors, or omissions arising out of **Professional Services** by the **Licensee**.

II. The Section of the policy entitled **DEFINITIONS**, is amended by the addition of the following new definition:

Appraisal Trainee means anyone who is not a certified or licensed appraiser, who assists in the collection of data or preparation of an appraisal, is employed by the **Licensee**, and under the **Licensee's** supervision or control.

III. Solely with respect to a **Claim** made against an **Appraisal Trainee**:

- 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**.

SCHEDULE OF APPRAISAL TRAINEES:

All other terms and conditions of the Policy remain unchanged.

CNA85322MS (4-16)

CONFORMITY ENDORSEMENT

In consideration of the additional premium paid to the Company for this Endorsement, 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 State(s) listed below which have mandatory errors and omissions requirements, provided that: (1) the **Policyholder** holds a current real estate license in the State(s) listed below; and (2) the negligent acts, errors or omissions arise out of the rendering of **Professional Services** in the State(s) listed below.

Applies to following State(s):

All other terms and conditions of the Policy remain unchanged.

G144149A23 (6-11)

CONTINGENT BODILY INJURY AND PROPERTY DAMAGE 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 Declarations Page is amended to include the following new Item:

SUBLIMITS BODILY INJURY CLAIM/PROPERTY DAMAGE CLAIM:

- (a) \$10,000 per **Licensee** per **Bodily Injury Claim** or **Property Damage Claim (Damages & Claim Expenses)**
- (b) \$10,000 Aggregate per **Licensee**

II. The Section entitled **LIMITS OF LIABILITY** is amended to include the following:

The Company's Sublimit of Liability for **Damages** and **Claim Expenses** for each **Bodily Injury Claim** or **Property Damage Claim** shall not exceed the per **Bodily Injury Claim** or **Property Damage Claim** Sublimit stated in the Declarations. The Company's Sublimit of Liability for **Damages** and **Claim Expenses** for all **Bodily Injury Claims** and **Property Damage Claims**, combined, shall not exceed the Aggregate **Bodily Injury Claims** and **Property Damage Claims** Sublimit set forth in the

Declarations. **Damages** paid within the **Bodily Injury Claim/Property Damage Claim** Sublimits of Liability are included within, and not in addition to, the per **Claim** and the Aggregate Limits of Liability set forth in the Declarations.

III. The Section entitled **LIMITS OF LIABILITY**, Subsection G. is deleted in its entirety and replaced with the following:

G. Except with respect to a **Discrimination Claim, Environmental Claim, Escrow Claim, Bodily Injury Claim, and Property Damage Claim, Claim Expenses** are in addition to the Limits of Liability. The Company will not pay **Claim Expenses** in connection with covered **Discrimination Claims, Environmental Claims, Escrow Claims, Bodily Injury Claims, or Property Damage Claims** after the applicable Sublimits of Liability have been exhausted.

IV. The Section entitled **EXCLUSIONS**, the exclusion entitled Bodily Injury, is deleted in its entirety and replaced with the following:

Bodily Injury

bodily injury, sickness, disease, mental anguish, pain, suffering, emotional distress, or death of any person, except that this exclusion shall not apply to a **Bodily Injury Claim** or a **Property Damage Claim** until the **Bodily Injury Claim/Property Damage Claim** Sublimit of Liability has been exhausted;

V. The Section entitled **EXCLUSIONS**, the exclusion entitled Property Damage, is deleted in its entirety and replaced with the following:

Property Damage

physical injury to, destruction, or loss of use of tangible property, except that this exclusion shall not apply to (1) a **Lock Box Claim** until the **Lock Box Claim** Sublimit of Liability has been exhausted or (2) a **Bodily Injury Claim** or **Property Damage Claim** until the **Bodily Injury Claim/Property Damage Claim** Sublimit of Liability has been exhausted;

VI. Solely with respect to the coverage provided by this endorsement, the Section entitled **EXCLUSIONS** is amended by the addition of the following new exclusions:

Motor Vehicle

the ownership, maintenance, operation, use, entrustment to others, loading, or unloading of any motor vehicle, aircraft or watercraft, operated by, rented or loaned to any **Insured**;

Workers Compensation

any act or omission for which any **Insured** could be held liable under any workers compensation, unemployment compensation, or disability benefits law or under any similar law;

Employee of Insured

bodily injury, sickness, disease, mental anguish, pain, suffering, emotional distress, or death of any employee of the **Insured**, arising out of his or her employment by the **Insured** or to any obligation of the **Insured** to indemnify or contribute with another employer because of damages arising out of such injury or death;

VII. The Section entitled **DEFINITIONS**, the definition of **Claim**, is amended by the addition of the following:

Claim also includes a **Bodily Injury Claim** and a **Property Damage Claim**.

VIII. Solely with respect to the coverage provided by this endorsement, the Section entitled **DEFINITIONS** is amended by the addition of the following new definitions:

Bodily Injury Claim means:

1. a written demand for money or services received by the **Insured**; or
2. service of a lawsuit or institution of arbitration or mediation proceedings against the **Insured**; seeking **Damages** and alleging a negligent act, error, or omission in the **Licensee's** performance of or failure to perform **Professional Services** that resulted in bodily injury, sickness, disease, mental anguish, pain, suffering, emotional distress, or death of any person, provided that:
 - a. the **Claim** results solely from a negligent act, error or omission committed by the **Licensee** while performing **Professional Services**;
 - b. such negligent act, error or omission was a proximate cause of the bodily injury, sickness, disease, mental anguish, pain, suffering, emotional distress, or death; and
 - c. there is no other policy that is applicable to such **Claim**.

Property Damage Claim means:

1. a written demand for money or services received by the **Insured**; or
2. service of a lawsuit or institution of arbitration or mediation proceedings against the **Insured**; seeking **Damages** and alleging a negligent act, error, or omission in the **Licensee's** performance of or failure to perform **Professional Services** that resulted in physical injury to, destruction of, or loss of use of tangible property, provided that:
 - a. the **Claim** results solely from a negligent act, error or omission committed by the **Licensee** while performing **Professional Services**,
 - b. such negligent act, error or omission was a proximate cause of the physical injury to, destruction of, or loss of use of tangible property; and
 - c. there is no other policy that is applicable to such **Claim**.

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 coverage provided by this endorsement shall not apply to such **Claim** or **Related Claim**.

All other terms and conditions of the Policy remain unchanged.

CNA85319MS (4-16)

FRANCHISE ENDORSEMENT

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

In the event that the **Licensee** is affiliated with _____, then _____ 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 4. 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.

CNA85318MS (4-16)

INCREASED LIMITS OF LIABILITY ENDORSEMENT **\$250K FOR EACH CLAIM/ \$750K FOR ALL CLAIMS**

It is agreed that in consideration of the additional premium paid, 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 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 (Damages)**
(b) \$750,000 Aggregate 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 **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.

CNA85316MS (4-16)

INCREASED LIMITS OF LIABILITY ENDORSEMENT **\$500K FOR EACH CLAIM/ \$1M FOR ALL CLAIMS**

It is agreed that in consideration of the additional premium paid, 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 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 (Damages)

(b) \$1,000,000 Aggregate 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 **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.

CNA85317MS (4-16)

OPTIONAL EXTENDED REPORTING PERIOD ENDORSEMENT

It is hereby understood and agreed that this policy is terminated with respect to **Claims** made on or after _____ (hereafter called the termination date). It is further agreed and understood that the Optional Extended Reporting Period provided under this Endorsement will begin on the termination date listed above and end on _____ (hereafter called the extension period).

In consideration of the **Licensee's** payment to the Company of the Premium of \$_____, this policy shall apply to **Claims** first made against the **Insured** and reported to the Company during the extension period and alleging, arising from, or related to negligent acts, errors or omissions committed or alleged to have been committed after the **Licensee's Retroactive Date**. The Limits of Liability shown on the Declarations are not increased by this Optional Extended Reporting Period Endorsement.

This Endorsement, once issued, cannot be canceled.

The premium for the Optional Extended Reporting Period Endorsement will be fully earned and is determined as shown below:

<u>Optional Extended Reporting Period Term</u>	<u>premium</u>
One Year	100%
Two Years	150%
Three Years	200%

All other provisions of the policy remain unchanged.

G-144151-A (Ed. 1/03)

RESIDENTIAL PERSONAL INTEREST COVERAGE ENDORSEMENT

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

I. Section **VI. EXCLUSIONS**, the exclusion entitled J. Owned Property, is deleted in its entirety and replaced with the following:

J. Owned Property

any **Professional Services** relating to property:

1. more than 10% owned by, or
2. purchased or attempted to be purchased by

an **Insured**; **Insured's** spouse; or any entity, corporation, partnership, or trust in which an **Insured** or **Insured's** spouse owned or controlled more than 10% financial interest;

however, this exclusion does not apply to:

- a. any **Claim** arising from the sale of property acquired by the **Insured** pursuant to a guaranteed sale listing contract. The guaranteed sale listing contract must be a written agreement between the **Insured** and the seller of a property in which the **Insured** agrees to purchase the property if it is not sold under the listing agreement in a specified time. For coverage to apply, the **Insured** must hold title to the property for less than one (1) year and must continually offer it for sale;

- b. the sale or listing for sale of residential property which is the **Licensee's Primary Residence**, so long as the sale or listing is performed under the **Licensee's** real estate license and supervised by the **Licensee's** responsible broker or firm; or
- c. any **Claim** arising from the sale or listing for sale of **Residential Property**, other than 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 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. a home warranty was purchased by or for the buyer prior to closing;
 - iv. prior to closing, if required by law, a seller disclosure form was signed by the buyer and the **Licensee**; the **Licensee's** spouse; or the **Licensee's** or **Licensee's** spouse's entity, corporation, partnership, or trust which the **Licensee's** or **Licensee's** spouse has or had a financial or ownership interest;
 - v. the **Licensee's** ownership interest in the property was disclosed and acknowledged by the buyer prior to closing;
 - vi. a written home inspection report was issued by a licensed inspector who is not related to or affiliated with the **Licensee** and acknowledged by the buyer prior to closing;
 - vii. a state or local board approved standard sales contract was utilized; and
 - viii. 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.

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 coverage provided by this endorsement shall not apply to such **Claim** or **Related Claim**.

All other terms and conditions of the Policy remain unchanged.

CNA85320MS (4-16)