



**MISSISSIPPI REAL ESTATE COMMISSION'S (MREC'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
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BENEFITS OF A GROUP PROGRAM WITH THE INDIVIDUALIZED ATTENTION YOU DESERVE

RISC is proud to continue to serve Mississippi real estate licensees as the state-selected provider of the MREC's group real estate E&O insurance program. RISC's management team has worked with Mississippi licensees for 25+ years. Our main priority has always been to exceed our insureds' expectations. The insurance carrier is Continental Casualty Company, a CNA insurance company (rated "A" Excellent by A.M. Best).

BASIC POLICY – ANNUAL PREMIUM ONLY \$148

Limits of Liability – \$100,000 per claim / \$500,000 aggregate.

Deductible – \$1,000 damages deductible, no deductible for defense costs (except a low deductible of \$250 applies to damages and defense costs for lock box claims).

Increased Limits Available to Individual (Not Firm) Licensees for Additional Premium – \$250,000 per claim / \$750,000 aggregate (\$80) or \$500,000 per claim / \$1,000,000 aggregate (\$158).

AUTOMATICALLY INCLUDES

First Dollar Defense – Applies WITH NO CONDITIONS to covered claims (except a low deductible of \$250 applies to damages and defense costs for lock box claims).

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

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

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

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 Coverage – \$25,000 per discrimination claim / \$25,000 aggregate (damages & defense costs, combined).

Environmental Coverage – \$10,000 per environmental claim / \$20,000 aggregate (damages & defense costs, combined).

Escrow / Earnest Money Coverage – \$5,000 per escrow claim / \$10,000 aggregate (damages & defense costs, combined).

Lock Box Coverage – \$5,000 per lock box claim / \$10,000 aggregate (damages with unlimited defense costs).

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

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

Primary Residence Coverage – Applies to claims involving the sale or listing for sale of the insured licensee's primary residence under certain conditions.

Team Coverage – More and more licensees are choosing to work in teams. The group policy insures real estate teams (in addition to real estate firms and franchisors) for vicarious liability for a negligent act, error, or omission in the insured licensee's professional services.

OPTIONAL ENDORSEMENTS AVAILABLE TO INDIVIDUAL (NOT FIRM) LICENSEES

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

Appraiser Trainee Endorsement, \$200 per Trainee – Available to supervising appraisers to add insurance for specific appraiser trainees acting under the supervising appraiser's supervision and control while assisting the supervising appraiser in the supervising appraiser's performance of professional services as a Mississippi licensed or certified real estate appraiser. Eligibility requirements: the supervising appraiser must have (1) an active real estate license, (2) an active appraisal license, and (3) purchase an appraisal endorsement.

Contingent Bodily Injury / Property Damage Endorsement, \$30 – \$10,000 per claim & aggregate (damages & defense costs, combined). for bodily injury and property damage claims that arise from professional services under certain conditions.

Residential Personal Interest Endorsement, \$15 – Adds insurance for the sale or listing for sale of residential property in which you, your spouse, or an entity you own, has an ownership interest under certain conditions.

OPTIONAL ENDORSEMENT AVAILABLE TO INDIVIDUAL AND FIRM LICENSEES

Conformity, \$20 – Confirms your coverage under the Mississippi group policy to comply with another mandated state's E&O requirements. To be eligible, you must be actually domiciled in Mississippi or treated as domiciled in Mississippi under the policy.

WHERE COVERAGE APPLIES

For licensees domiciled in MS, the policy applies to professional services provided anywhere, 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 MS. Licensees not actually domiciled in MS or not considered to be domiciled in MS under the policy terms are insured only for professional services rendered in MS.

FIRM EXCESS COVERAGE

Firm excess policies (written by Continental Casualty Company) with \$1,000,000 limits of liability available to real estate firms, subject to underwriting approval. To qualify, all the firm's licensees must participate in the group program. To obtain a quote for a firm excess policy, the firm's broker or officer must complete an application.

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 our website, www.risceo.com, for online enrollment, sample policy and endorsement forms, and additional information.

Contact us with any questions or concerns. We are always happy to hear from Mississippi licensees.



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Please Support Your State Program.

Over **\$7.7 Million** in defense costs and damages have been incurred as of March 1, 2020 since the current carrier began offering E&O insurance to Mississippi licensees in 2003. RISC and the carrier share a commitment to their insureds and providing valuable coverage to Mississippi licensees. When shopping for insurance coverage, it's important to ask about the company's experience and paid claims in Mississippi. 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 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, delivering more than 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 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 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 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 to help you if it does.

Our Revamped Website Makes Everything Easier.

Our dedication to exceptional customer service led us to revamp our website to make things easier and more convenient for licensees. 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 defense costs (except a low deductible of \$250 applies to damages and defense costs for lock box claims). 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 the fair housing / discrimination, environmental, escrow / earnest money, 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 you and your spouse's relatives. 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 farm land or to risk not having coverage for a claim resulting from the transaction.

Does the policy insure your firm and real estate team for their vicarious liability for your professional services? Yes. Claims are often made against real estate firms and teams as a result of their licensees' negligence. Under the RISC policy, an insured individual licensee's insurance applies to covered claims alleging the firm or team's vicarious liability for negligent acts, errors, and omissions in the licensee's professional services. Some policies issued to individual licensees may not provide coverage for the firm or team's vicarious liability for their actions, which may leave the firm and team uncovered in the event of a claim.

Are insureds satisfied with the provider's service? Yes. Excerpts from a few emails we've received from Mississippi insureds:

I wanted to thank everyone again. [The defense counsel retained by RISC] was outstanding to work with and I feel very fortunate to have RISC as my insurance company. I cannot thank you all enough. R.C.

We will never forget your help . . . You really saved the day for us. G.W.

Questions?

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