



**NORTH DAKOTA REAL ESTATE COMMISSION'S (NDREC's)  
GROUP ERRORS AND OMISSIONS (E&O) PROGRAM**

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

502-897-1876 / 1-800-637-7319  
4211 Norbourne Blvd, Louisville, KY 40207  
PO Box 6709, Louisville, KY 40206  
www.risceo.com

Rice Insurance Services Company, LLC (RISC) is pleased to continue to provide the NDREC's group real estate errors and omissions (E&O) insurance program for North Dakota licensees. After more than 25 years of service to real estate licensees, we hope that we have exceeded our insureds' expectations and continue to strive to do so.

**BASIC POLICY only \$187**

**Limits of Liability** \$100,000 per claim / \$500,000 aggregate with a \$1,000 damage deductible and a \$1,000 claim expense deductible.

**Increased Limits Available for Additional Premium** – \$250,000 per claim / \$750,000 aggregate (\$73 or \$109) or \$500,000 per claim / \$1,000,000 aggregate (\$140 or \$186).

**AUTOMATICALLY INCLUDES**

**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 limits.

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

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

**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.

**Fair Housing / Discrimination Claim Sublimits:** \$25,000 per claim / \$25,000 aggregate (damages) with no limit on defense costs.

**Environmental Claim Sublimits:** \$10,000 per claim / \$20,000 aggregate (damages) with no limit on defense costs.

**Escrow / Earnest Money Claim Sublimits:** \$5,000 per claim / \$10,000 aggregate (damages) with no limit on defense costs.

**Lock Box Claim Sublimits:** \$5,000 per claim / \$10,000 aggregate (damages) with no limit on defense costs.

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

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

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

**Security Breach Coverage:** Up to \$5,000 for costs incurred by the licensee's firm if the firm 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. The most the carrier will pay under this coverage is \$5,000 per real estate firm, regardless of the number of licensees or incidents involved.

**Expanded Definition of Professional Services:** In addition to services requiring a real estate license, the definition of professional services includes issuing market analyses and valuations and services as a notary public or real estate consultant in connection with services as a licensed real estate licensee.

**OPTIONAL ENDORSEMENTS AVAILABLE**

**Appraisal:** (\$200) Adds insurance for licensed real estate appraisal activity. Eligibility Requirements: Active North Dakota real estate license and an active North Dakota appraiser license.

**NEW Residential Personal Interest Coverage:** (\$15) Up to policy limits for claims concerning the sale or listing for sale of residential property (defined in the endorsement) owned by you or your spouse, under certain conditions.

**Property Management Services:** (\$150) The group policy includes specified property management services that are incidental to services that require a real estate license, provided your income from leasing and property management is 50% or less of your annual revenue. Licensees may also purchase a property management endorsement that adds specified property management services to the definition of professional services with no revenue restrictions.

**Conformity:** (\$15) Conforms your coverage under the North Dakota group policy to comply with another mandated state's E&O requirements where you have an active real estate license. To be eligible, you must be actually domiciled or treated as domiciled in North Dakota under the group policy.

**WHERE COVERAGE APPLIES**

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

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

Firm excess policies (written by Continental Casualty Company) with \$1,000,000 limits available to firms whose licensees are all insured through the group program. For more information please contact our Excess Department at 1-800-637-7319 Option 3.

**RISK REDUCTION MATERIAL**

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

**Visit our website, [www.risceo.com](http://www.risceo.com), to enroll online, view sample policy and endorsement forms, and obtain additional information. Also feel free to contact us with any questions or concerns. We are always happy to hear from North Dakota 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 North Dakota. ©2013



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### Please Support Your State Program

Nearly **\$1.25 Million** in defense costs and damages have been incurred by Continental Casualty Company (a CNA insurance company) as of September 1, 2018 since 2003. RISC and CNA share a commitment to their insureds to provide valuable coverage to North Dakota licensees. When shopping for insurance, it's important to ask about the company's experience and paid claims in North Dakota. 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 20 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 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 that having a claim does not mean that 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

We are dedicated to exceptional customer service, which is why we updated our website making everything easier and more convenient. Take a look at our new website and learn how RISC puts the Experience and Options in E & O programs.

### Have Questions?

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

### Not All E&O Providers are 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 that you review any policy you are considering and ask these questions:

**Does the policy offer unlimited defense costs? Yes.** There is no limit on the amount of defense costs for claims covered under the basic policy.

#### Does the policy insure transactions you do for relatives?

**Yes.** The RISC policy applies to claims involving services performed for your parents; grandparents; siblings; aunts; uncles; cousins; children; and your spouse's parents, grandparents, siblings, and children. 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 for its vicarious liability for your professional services? Yes.

Claims are often made against real estate firms as a result of their licensees' negligence. Under the group program, the policy applies to covered claims alleging the firm's vicarious liability for negligence in the insured licensee's professional services. Some policies issued to individual licensees may not provide coverage for the firm's vicarious liability, which may leave the firm uncovered in the event of a claim.

#### Are Insureds satisfied with the provider's service? Yes.

Below are excerpts from actual emails we have received:

*I don't think I can express how thankful we are at how quick all of you are to respond and what a great attitude you have. Makes my job a lot easier, I'll tell you that much. M.E. (Support Specialist at large ND real estate firm)*

*[Your] employees went out of their way to accommodate me... Although I am just a single customer, [they] made me feel as though I were your most important customer... Rest assured, my E&O business will always be with Rice and I will continue to recommend you to anyone willing to listen. Most important, how lucky you are to have staff members...who are willing to go the "extra mile" to insure your customers stay your customers. J.A.Z. (NE, IA, WY, & CO licensee)*

*It's nice to know that the person on the other end is actually reading and analyzing the reports. Unfortunately, far too often, that seems to be the exception rather than the norm. So, we really appreciate your attention to this case and have enjoyed working with you throughout this process. A.M. (NE defense counsel regarding our claims handling)*



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**NOTICE:** North Dakota procedures and requirements for license renewal require all active brokers and salespersons to apply to renew their license by November 15, 2018. Your license renewal application must include proof of real estate E&O insurance. Therefore, it's crucial that you renew or obtain insurance in enough time to receive proof of coverage before November 15, 2018. Licensees who enroll by mail should do so by October 31, 2018 to allow time for payment to be processed and a certificate to be returned by mail. Licensees who enroll online will be able to download proof of coverage as soon as payment has been completed. If you are currently enrolled in the NDREC's group policy, your insurance expires January 1, 2019. If insurance is not timely obtained or renewed, the NDREC may inactivate your license and issue other penalties. Licensees may purchase insurance outside of the group program, provided coverage meets state requirements and proof of coverage is provided to the NDREC as required by state law. New licensees must obtain insurance before their license can be activated.

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

**REVIEW THE FOLLOWING IMPORTANT INFORMATION AND SIGN BELOW**

**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.

**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 individual policy period. If you have 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 company, it must be reported in writing immediately to your insurance carrier before your 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. For further instructions and a notice of claim form, visit our website, [www.risceo.com](http://www.risceo.com), then select the "Resources" tab and click "Forms" or call us toll-free at 1-800-637-7319, ext. 2.

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

**If You are Not Renewing:** There is no coverage for claims that arise after the end of your individual policy period unless an extending reporting period (ERP) is in place. Claims often arise years after the subject transaction occurred. If you are not renewing coverage for any reason, (i.e. inactivating/retiring your license or switching to a firm policy), you should consider purchasing an ERP endorsement. We offer 1, 2, and 3 year ERP endorsements to extend the policy's 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 individual policy period.

**Territory:** Licensees domiciled in North Dakota are insured for real estate services performed anywhere they hold an active real estate license, provided the services would require a real estate license if performed in North Dakota. Licensees not domiciled in North Dakota are insured for North Dakota transactions only. Out-of-state licensees may be considered domiciled in North Dakota if their principal real estate license is affiliated with a real estate office in North Dakota and they reside within 75 miles of the North Dakota state line. Please see the Territory section of the policy for more information.

**Effective Date:** Licensees who enroll before January 1, 2019 will have an effective date of January 1, 2019. Licensees who enroll after January 1, 2019 will have an inception date of the day we receive the licensee's *completed application and premium*. Licensees not currently enrolled in the current group policy may request a different inception date (after January 1, 2019) for Continental's consideration: \_\_\_\_\_

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

**Option for Renewing E&O Coverage for Multiple Licensees:** Companies with 10+ licensees can request a Multiple Licensee Renewal Form to electronically submit enrollment information for all the firm's licensees timely and expeditiously.

Applicant has reviewed 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:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

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**ENROLLMENT FORM**

North Dakota law requires that all active real estate brokers and salespersons carry and maintain E&O insurance that applies to all licensed activities. All active licensees must apply for license renewal by November 15, 2018. **Licensees who enroll by mail should do so by October 31, 2018 to allow time for payment to be processed and a certificate to be returned by mail. Licensees who enroll online will be able to download proof of coverage as soon as payment has been completed.** Licensees may purchase insurance outside of the group program, provided coverage meets state requirements and proof of coverage is provided to the NDREC as required by state law.

**HOW TO ENROLL**

**ONLINE:** At [www.risceo.com](http://www.risceo.com) with a Visa or MasterCard and receive a certificate of coverage immediately upon completion (a nonrefundable \$5 convenience fee applies to online enrollment).

**MAIL:** Send completed form (both pages) with a check or money order payable to RISC by October 31, 2018 to allow us time to process and provide proof of coverage to the NDREC.

**Mailing Address**

RISC, P.O. Box 6709, Louisville, KY 40206-0709

**Overnight Delivery**

RISC, 4211 Norbourne Blvd., Louisville, KY 40207-4048

**LICENSEE INFORMATION:** Correct any incorrect information and fill in any blanks. Failure to do so may delay issuance of your coverage.

Licensee Name:		License Type:		License Number:	
Firm:				SSN (Last 4 Digits ONLY):	
Address:					
City:		State:		ZIP:	
Work Phone:		Home Phone:		Cell Phone: I want text reminders if/when that option is available.	
Fax:		Email:			

\*We occasionally send important notices by email. To receive these notices, provide your current email address and add our email domain (@risceo.com) to your address book.

**SELECT DESIRED COVERAGES BELOW**

<b>Basic Premium:</b> January 1, 2019 to January 1, 2020 <b>Limits of Liability:</b> \$100,000 per claim / \$500,000 aggregate <b>Deductibles:</b> \$1,000 (damages) & \$1,000 (claims expenses)	<b>\$187</b>	<input checked="" type="checkbox"/>
<b>Appraisal Endorsement:</b> Eligibility requirements: (1) an active real estate license <u>and</u> (2) an active appraisal license Appraisal License #: _____	<b>\$200</b>	<input type="checkbox"/>
<b>Conformity Endorsement:</b> Conforms your ND policy to comply with the E&O requirements of other mandated states where you have an active real estate license. Must be actually domiciled or treated as domiciled in ND to be eligible. Please circle applicable state(s): <b>AK CO ID IA KY LA MS NE NM RI SD TN* WY</b>  Other State License Type: _____ / Other State License #: _____ (identify conformity state if more than one) <i>*Eligibility for TN conformity is limited by TN regulations. Contact RISC if you need coverage for a TN license.</i>	<b>\$15</b>	<input type="checkbox"/>
<b>Property Management Endorsement:</b> Adds specific property management services to the policy's definition of professional services.	<b>\$150</b>	<input type="checkbox"/>
<b>NEW Residential Personal Interest Coverage Endorsement:</b> Up to policy limits for claims concerning the sale or listing for sale of residential property (defined in the endorsement) owned by you or your spouse, under certain conditions.	<b>\$15</b>	<input type="checkbox"/>
<b>Increased Limits Endorsements – You may purchase ONLY ONE of the following</b>		
<b>Increased Limits \$250,000 per Claim / \$750,000 Aggregate</b>	<b>A</b> 75% or more* of your real estate activity income is earned from Residential Sales** and you have had no claims*** in the past 5 years	<b>\$73</b>
	<b>B</b> Less than 75%* of your real estate activity income is earned from Residential Sales** or you have had one or more claims*** in the past 5 years	<b>\$109</b>
<b>Increased Limits \$500,000 per Claim / \$1,000,000 Aggregate</b>	<b>A</b> 75% or more* of your real estate activity income is earned from Residential Sales** and you have had no claims*** in the past 5 years	<b>\$140</b>
	<b>B</b> Less than 75%* of your real estate activity income is earned from Residential Sales** or you have had one or more claims*** in the past 5 years	<b>\$186</b>

\*To determine the percentage of your real estate activity income from Residential Sales, divide your income from Residential Sales by the amount of your total real estate activity income.

\*\*Residential Sales means sales of properties zoned for and occupied exclusively as residences for 4 families or less. Residential Sales also includes: (1) sales of vacant land, provided the land is zoned for residential use and is not a development project of 4 or more residences and (2) sales of farm property that will be a buyer's principal residence and where a buyer will derive no more than 25% of total income from farming. Commercial sales and renting, leasing, managing, or appraising residential or commercial property are not Residential Sales.

\*\*\*If you are a designated broker, a claim made against you, your firm for your acts, or your firm for the firm's acts is considered a claim against you for purposes of calculating the endorsement premium. If you are not a designated broker, a claim made against you or your firm for your acts is considered a claim against you for purposes of calculating the endorsement premium.

<b>BASIC PREMIUM</b>	<b>\$ 187</b>
<b>+ OPTIONAL ENDORSEMENT PREMIUM (IF ANY)</b>	<b>\$ _____</b>
<b>TOTAL DUE</b>	<b>\$ _____</b>