



## NNEW MEXICO REAL ESTATE COMMISSION'S (NMREC'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  
4211 Norbourne Blvd., Louisville, KY 40207  
PO Box 6709, Louisville, KY, 40206  
www.risceo.com

RISC is pleased to continue to provide the NMREC's group real estate E&O insurance program for New Mexico brokers. 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. The insurance carrier, Continental Casualty Company, a CNA insurance company, is rated "A" Excellent by A.M. Best.

### BASIC POLICY ONLY \$349

**Limits of Liability** \$100,000 per claim / \$500,000 aggregate with \$1,000 damage deductible and no deductible for defense costs.

**Increased Limits** \$250,000 per claim / \$750,000 aggregate available for additional premium (\$123 or \$184).

### AUTOMATICALLY INCLUDES

**First Dollar Defense:** Applies WITH NO CONDITIONS to all covered 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 for regulatory complaint and subpoena coverages, which were not covered at all under most traditional E&O policies).

**Expanded Definition of Professional Services:** In addition to licensed real estate broker services, insured professional services include property management; auctioning real property; and services as a real estate consultant or counselor, notary public, or escrow agent in connection with services as a licensed real estate broker.

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

**Spousal Coverage:** Broker'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 Coverage:** \$25,000 per claim / \$25,000 aggregate (damages) with no limit on defense costs.

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

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

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

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

**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 broker's primary residence, under certain conditions.

### OPTIONAL ENDORSEMENTS AVAILABLE

**Appraisal:** Available to active real estate brokers who also have an active real estate appraisal license / credential to add insurance for licensed appraisal services.

**Conformity:** A conformity endorsement is only needed if you are actively licensed in another state that mandates E&O coverage. Conforms insurance under the New Mexico group policy to comply with E&O requirements in other states with mandatory insurance requirements where you have an active real estate license. Must be domiciled in New Mexico or treated as domiciled in New Mexico to be eligible for this endorsement.

### WHERE COVERAGE APPLIES

For brokers domiciled in New Mexico, the policy applies to professional services provided anywhere in the world, provided the broker is duly licensed in the state where services were provided, and the services would require a real estate license had they been performed in New Mexico. Brokers not actually domiciled in New Mexico or not considered to be domiciled in New Mexico under the policy are insured only for professional services rendered in New Mexico.

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

Firm excess policies with \$1,000,000 limits available to firms whose brokers are all insured through the group program (written by Continental Casualty Company).

### 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, download a sample policy or endorsement forms, and obtain additional information. Also, feel free to contact us with any questions or concerns; we are always happy to hear from New Mexico brokers.



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### Please Support Your State Program

Over **\$17.5 Million** in defense costs and damages have been incurred as of September 1, 2018 since RISC began administering the New Mexico state group program in 2004. RISC and the carrier share a commitment to their insureds and providing valuable coverage to New Mexico brokers. When shopping for insurance coverage it's important to ask about the company's experience and paid claims in New Mexico. 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 broker 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 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 Website Makes Everything Easier

We are dedicated to exceptional customer service. Our website makes it quick and easy to enroll for coverage, find sample forms, and download educational and risk reduction information. Take a look at our website and learn how RISC puts the Experience and Options in E & O programs.

### 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 you review any policy you are considering and ask these questions:

**Does the policy provide first dollar defense? Yes.** There is no deductible for defense costs, so there is no cost to the you unless there is a damage award or settlement.

**Does the policy offer unlimited defense costs? Yes.** There is no limit on the amount of defense costs under the basic policy (except for regulatory complaint and subpoena coverages, which were not covered at all under most traditional E&O policies).

**Does the policy insure transactions you do for relatives? Yes.** The policy applies to claims involving services performed for your parents; grandparents; siblings; aunts; uncles; cousins; children; or your spouse's parents, grandparents, siblings, or children. This is important, since buyers and sellers often rely on a trusted relative with a real estate license.

**Does the policy apply to claims relating to all types of real property? Yes.** The 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. The group 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 for their actions, 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 from New Mexico insureds:

*I have found RISC and its staff to be very responsive and, most importantly, mindful of the stress that a claim brings upon a real estate practitioner. In every situation, their assistance and handling of claims has been very professional and their customer service has been exceptional. K.A.*

*RISC has demonstrated a consistent attitude of professionalism, helpfulness and concern for the real estate professionals in every situation I have encountered. RISC has always provided thoughtfulness, facts and experience to the matters at hand while at the same time being open to questions and information on a local level. M.G.*

*Thank you very much. I can't believe how incredibly responsive you have been. D.L.*

### Have Questions?

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