



• We put the Experience and Options in E&O programs •  
 502-897-1876 / 1-800-637-7319  
 4211 Norbourne Blvd., Louisville, KY 40207-4048  
 P.O. Box 6709, Louisville, KY 40206-0709  
 www.risceo.com

**TENNESSEE REAL ESTATE COMMISSION'S (TREC's)  
 GROUP ERRORS AND OMISSIONS (E&O) PROGRAM**

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

**NOTICE:** Tennessee law requires that all active individual real estate licensees carry and maintain uninterrupted E&O insurance to cover all licensed activities. Prospective licensees must obtain insurance before their license can be activated. Firm licensees are not required to purchase coverage but may choose to do so. If you were enrolled in TREC's 2015 – 2016 group policy, your coverage expired January 1, 2017. **Licensees who fail to renew or enroll timely risk facing fines, penalties, and loss of prior acts coverage.** TREC will not renew the license of any individual licensee who did not obtain insurance through the group policy or provide proof of other complying coverage by December 31, 2016. Licensees who want to inactivate or retire their licenses in 2017 must have filed a TREC Form 1 to change license status before December 31, 2016 or else obtain insurance for the January 1, 2017 to January 1, 2019 period. Tennessee law requires principal brokers to adequately supervise all of their firm's affiliate brokers. Principal brokers who fail to ensure their affiliate brokers maintain E&O insurance will be disciplined with a civil penalty up to \$1,000 per uninsured affiliate broker. Licensees may purchase coverage outside of the group program, provided coverage meets state requirements and proof of coverage is provided to TREC as required by state law.

**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 Tennessee licensees. 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, and requesting one.

**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. To report a claim under the group policy, you must send us written notice of the claim and a notice of claim form, available on our website or by calling us and requesting one.

There is no coverage for claims that arise after the policy expires unless an extending reporting period (ERP) is in place. However, claims often arise years after the subject transaction occurred. If you are not renewing coverage for any reason, including inactivating or retiring your license, you should consider purchasing a 1, 2, or 3 year ERP endorsement, which extends the reporting date of your policy to apply to claims that arise within the ERP. An ERP endorsement may be purchased within 90 days after the 2015 – 2016 group policy expired. For licensees insured under the 2017 group policy, ERP endorsements will be available within 90 days of its end date.

**Prior Acts and Importance of Timely Renewal:** Your "retroactive date" determines whether there is coverage for services performed before the policy's effective date. The retroactive date is the date you first obtained, and since which have continuously maintained, E&O insurance, with no gaps. Even a one-day gap will result in loss of coverage for any services provided before and through the last day of the gap, even if insurance was in place at the time of the services and again when the claim arises. If you failed to enroll timely, call RISC immediately to see if you qualify to backdate your individual policy period to January 1, 2017, which may avoid a gap in coverage and loss of any previously-established retroactive date. This procedure will not remedy noncompliance with mandatory insurance laws.

**Territory:** Licensees domiciled in Tennessee are insured for errors and omissions committed anywhere they hold an active real estate license, provided the services would require a real estate license if performed in Tennessee. Licensees domiciled outside of Tennessee are insured for Tennessee transactions only. However, out-of-state licensees will be treated as domiciled in Tennessee if their principal real estate license is affiliated with a real estate office located in Tennessee and they reside within 50 miles of the Tennessee state line. If a claim results in or from a lawsuit, the lawsuit must be brought within the U.S., its territories or possessions.

**Effective Date:** Coverage will be effective the day we receive your *completed application* and premium. If you would like to request an effective date different than the day we receive your *completed application* and premium, provide the requested effective date: \_\_\_\_\_

**Premium / Deductible:** Applicant understands that all premiums are fully earned at policy inception and no refunds are permitted after that date. If your payment is returned for nonsufficient 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 the Company for any and all costs and expenses it incurs by employing a collection agency to collect any overdue deductible.

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

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. The information included on both pages of this document 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 Tennessee. © 2017



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**INDIVIDUAL ENROLLMENT FORM – PRORATED**

**Tennessee law requires that all active individual real estate licensees carry and maintain uninterrupted E&O insurance to cover all licensed activities. Licensees who fail to enroll or renew timely will be in violation of Tennessee law and risk facing fines, penalties, and loss of prior acts coverage.**

**LICENSEE INFORMATION:** Please provide complete and correct information. Failure to do so may delay issuance of your coverage and confirmation to TREC.

Licensee Name:	License Type:	
Real Estate Firm:	License No.:	
Address:	SSN (Last 4 digits only):	
City:	State:	Zip Code:
Phone (home / cell): <input type="checkbox"/> If cell: Check here if you would text reminders if/when that option is available.	Phone (work):	
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.

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

**ENROLL BY MAIL:** Select desired coverages below. Send completed form (both pages) with a check or money order payable to RISC. Allow 7 – 10 business days for us to process your enrollment and provide proof of coverage to the TREC.

Mailing Address: RISC, P.O. Box 6709, Louisville, KY 40206-0709 / Overnight Delivery: RISC, 4211 Norbourne Blvd., Louisville, KY 40207-4048

Basic Policy	2017 Effective Date	2018 Effective Date	Amount Due
<b>2017 Effective Date:</b> Jan \$221 / Feb \$212 / Mar \$203 / Apr \$193 / May \$184 / June \$175 / July \$166 / Aug \$157 / Sept \$147 / Oct \$138 / Nov \$129 / Dec \$120 <b>2018 Effective Date:</b> Jan \$110 / Feb \$101 / Mar \$92 / Apr \$83 / May \$74 / June \$64 / July \$55 / Aug \$46 / Sept \$37 / Oct \$28 / Nov \$18 / Dec \$9 <b>Expiration Date:</b> All policies expire January 1, 2019 <b>Limits of Liability:</b> \$100,000 per claim / \$300,000 annual aggregate <b>Deductible:</b> \$1,000 (damages)	See prorated premiums at left	See prorated premiums at left	\$ _____
<b>Optional Endorsements</b> <b>Conformity Endorsement:</b> Conforms your TN policy to comply with E&O requirements other states where you have an active real estate license. To be eligible for this endorsement, you must be actually domiciled in TN or treated as domiciled in TN by the policy terms. Please circle applicable state(s): <b>CO ID IA KY LA MS* NE NM ND RI SD WY</b> Other State License #: _____ (if more than one conformity state, also identify state) *To be eligible for a MS conformity endorsement, your MS license must have been issued on or before July 1, 2007. If your MS license was issued after that date, contact RISC to obtain coverage for your MS license.	\$20 (Regardless of number of states at issuance)	\$10 (Regardless of number of states at issuance)	
<b>Appraisal Endorsement:</b> Adds services performed as a licensed appraiser to the policy's definition of professional services. You must have both an active real estate license and an active appraisal license to qualify for this endorsement. Appraisal License Number: _____	\$175	\$88	
<b>Appraiser Trainee Endorsement:</b> Adds specified appraiser trainees as insureds while employed by you, under your supervision and control, and assisting you in the performance of the your professional services. Available to individual (not firm) licensees who have both an active real estate license and an active appraiser license and have purchased the Appraisal Endorsement. You <u>must</u> attach a list of appraiser trainees that you would like listed in the endorsement. A separate premium applies to each appraiser trainee listed.	\$175 per appraiser trainee	\$88 per appraiser trainee	
<b>Contingent Bodily Injury / Property Damage Endorsement:</b> \$10,000 per claim / \$10,000 aggregate for damages and defense costs, combined, for bodily injury and property damage claims that arise from your professional services under certain conditions.	\$50	\$25	
<b>Property Management Endorsement:</b> Adds specific property management services to the policy's definition of professional services.	\$100	\$50	
<b>Residential Personal Interest Coverage Endorsement:</b> Adds insurance for the sale or listing for sale of residential property in which the licensee has an ownership interest under certain conditions.	\$50	\$25	
<b>Increased Limits Endorsements – You may purchase ONLY ONE of the following:</b> <b>Increased Limits of \$250,000 per claim / \$750,000 aggregate</b>	\$134	\$67	
<b>Increased Limits of \$500,000 per claim / \$1,000,000 aggregate</b>	\$249	\$125	
<b>Endorsement Bundle – Includes the Following Five Endorsements</b> <input type="checkbox"/> <b>Security Breach Notification Endorsement:</b> \$5,000 per licensee's real estate firm for costs incurred to notify clients of a security breach. <input type="checkbox"/> <b>Increased Sublimits for Fair Housing / Discrimination Claims Endorsement:</b> Increases sublimits to \$50,000 per covered fair housing / discrimination claim, up to a \$50,000 aggregate (the basic policy automatically includes sublimits of liability of \$5,000 per claim, up to a \$10,000 aggregate, for fair housing and discrimination claims). <input type="checkbox"/> <b>Increased Claim Expenses Coverage for Regulatory Complaints (Disciplinary Proceedings):</b> Increases defense cost coverage to \$5,000 per covered regulatory complaint, up to a maximum of \$5,000 (the basic policy automatically includes defense costs of \$2,500 per covered regulatory complaint, up to a maximum of \$5,000). <input type="checkbox"/> <b>Increased Sublimits for Lock Box Claims Endorsement:</b> Increases sublimits to \$50,000 per covered lock box claim, up to \$50,000 aggregate for damages (the basic policy automatically includes sublimits of liability of \$5,000 per claim, up to a \$10,000 aggregate, for lock box claims) <input type="checkbox"/> <b>Increased Sublimits for Subpoena Assistance:</b> Increases sublimits to \$5,000 per subpoena, up to \$5,000 aggregate (the basic policy automatically includes sublimits of \$2,500 per claim, up to \$2,500 aggregate, for subpoena claims).	\$30	\$15	
<b>TOTAL = Basic Policy Premium + Any Optional Endorsement Premium</b>			\$ _____