

COLORADO REAL ESTATE DIVISION'S
GROUP MORTGAGE LOAN ORIGINATOR ERRORS AND OMISSIONS GROUP
POLICY

Administered by Rice Insurance Services Center (RISC), a division of AssuredPartners NL, LLC
Issued by Continental Casualty Company (Continental)

IMPORTANT NOTICE FROM RISC:
ERRORS AND OMISSIONS (E&O) COVERAGE IS REQUIRED.
DON'T FORGET TO RENEW YOURS!

Dear Licensee,

If you are insured through the Colorado Division of Real Estate's (Division's) current group policy, your Mortgage Loan Originator (MLO) errors and omissions (E&O) insurance expires January 1, 2023. Failure to timely obtain or renew coverage may lead the Division to inactive your license.

MORTGAGE LOAN ORIGINATOR LICENSEE INSURANCE REQUIREMENT – Colorado law requires that all active mortgage loan originators carry and maintain E&O insurance to cover all licensed activities.

If you haven't yet enrolled in the 2023 group policy or obtained other compliant coverage from another qualified provider, you must do so before midnight December 31, 2022. Failure to do so may lead the Division to inactivate your license.

The **Division** has contracted with RISC to administer the group E&O insurance program for Colorado MLO's. 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 tailored to meet the specific needs of Colorado licensees and exceeds State requirements. The group policy is underwritten by Continental Casualty Company, a CNA insurance company rated "A (Excellent)" by A.M. Best. Licensees may choose to purchase E&O insurance outside of the group program, as long as it meets the **Division's** minimum requirements. If you have coverage outside of the group program, please check your insurance provider's requirements regarding continuous coverage and retroactive dates.

[BUY NOW](#)
[CLICK HERE FOR ONLINE ENROLLMENT](#)

It's quick and easy to enroll in the group program on RISC's website at <https://enroll2.risceo.com/> with a Visa or MasterCard (nonrefundable \$5 convenience fee applies). Please be sure to choose the 2023 Colorado MLO policy period. During online enrollment, you can create an account for online access to insurance documents and purchase history. If you have previously created an account, you may log in to renew your insurance. If you have forgotten your password, a password reset function is available. Your username is typically your email address. Feel free to contact RISC if you need assistance.

IF YOU PREFER TO ENROLL BY MAIL, DOWNLOAD
A [MLO ENROLLMENT FORM](#)

Mail your completed enrollment form with a check or money order for the applicable premium to RISC (further instructions on enrollment form). Allow 7-10 business days for processing mailed enrollments. Your purchase date will be noted as the date RISC receives your completed enrollment form and payment. Mailed enrollments received before December 31, 2022 will not be considered late by the **Division**. RISC is able to provide a January 1, 2023 inception date for enrollments received by January 30, 2023. However, if you enroll *after* midnight December 31, 2022, you will still be in violation of licensing law, so the **Division** may still inactivate your license, even if your effective date is backdated to January 1, 2023.

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.

DIVISION JANUARY 1, 2023 – JANUARY 1, 2024 GROUP POLICY

Only \$390 Basic Policy Premium for effective dates of January 1, 2023 to January 1, 2024

Limits of Liability – \$100,000 per claim / \$300,000 aggregate (damages and claims expenses combined).

- Separate \$25,000 per claim / \$25,000 aggregate (claims expense only).
- Payment of claim expenses reduces and may exhaust the coverage limits.

Deductible – \$1,000 (damages)

The basic policy insures professional services, as defined in the policy, relating to a residential mortgage loan (a loan, other than a reverse mortgage loan, which is primarily for personal, family, or household use and that is secured by a mortgage, deed of trust, or other equivalent, consensual security interest on a dwelling or residential real estate upon which is constructed, or intended to be constructed, a single-family dwelling or multiple-family dwelling of 4 or fewer units).

Optional Endorsements Available to Individual Licensees –Limited

- Claim Expenses Coverage for Regulatory Complaints Endorsement - Claim expenses up to \$2,500 per complaint to or dispute before a state or federal regulatory or administrative board or agency, up to a maximum of \$5,000 for all such complaints.
- Reverse Mortgage Loan Transaction Endorsement – The basic policy does not cover claims related to reverse mortgage loan transactions. This endorsement adds insurance for claims involving professional services relating to a reverse mortgage loan, as defined in the policy. You may choose Deductible Level of \$10,000 or \$20,000 for claims alleging, arising from or related to a reverse mortgage loan.

Sample endorsement forms available at www.risceo.com.

Territory – MLOs domiciled in Colorado are insured for professional services performed anywhere they are duly licensed, provided the services would require a MLO license if performed in Colorado. MLOs not domiciled in Colorado are insured for Colorado transactions only. For a claim to be covered, it must be brought within the United States, its territories or possessions. More information in the Territory section of the policy.

DON'T LOSE YOUR PRIOR ACTS COVERAGE!

Failure to pay your premium on time and maintain continuous coverage may cause you to lose any previously-established retroactive date and prior acts coverage (coverage for claims concerning professional services performed before the enrollment date). Your retroactive date determines whether the policy applies to professional services performed before your individual effective date. Your retroactive date is the date from which you have maintained continuous, uninterrupted real estate E&O insurance, with no gaps. Even a one-day gap in coverage will result in loss of coverage for claims involving professional services performed before and through the last day of the gap, even if insurance is in place when the services were performed and again when the claim arises.

If you miss timely renewal and do not have continuous coverage, call RISC immediately to see if you qualify to backdate your individual effective date to the inception of the policy period. This may avoid a break in coverage and loss of your retroactive date. However, this procedure does not impact failure to comply with state licensing law or the Division's ability to issue penalties.

IF YOU DO NOT PLAN TO RENEW YOUR COVERAGE

There is no coverage for claims that arise after the end of your individual policy period unless an extended reporting period (ERP) is in place. Claims often arise years after the subject transaction occurred. If you are not renewing coverage for any reason (e.g., inactivating/retiring your license or switching to a firm policy), you should consider purchasing a 1, 2, 3, or 5 year ERP endorsement to extend the policy's reporting date to apply to claims that are

first made against the insured and reported to the carrier within that period. ERP endorsements may only be purchased during or up to 90 days after the end of your individual policy period. [Click here](#) for more information.

Don't hesitate to contact RISC at info@risceo.com or 1-800-637-7319 (ext. 1) with any questions or concerns. We love hearing from Colorado MLO licensees!



The RISC Team

4211 Norbourne Blvd, Louisville, KY 40207-4048

PO Box 6709, Louisville, KY 40206-0709

502-897-1876, Ext. 1

Toll-Free 1-800-637-7319, Ext. 1

Fax: 502-897-7174

www.risceo.com

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 Colorado. ©2022

Please be aware that in the event of a claim, coverage would be determined as a result of the application of all policy terms and conditions based on the circumstances and allegations arising from such claim. Additionally, it is not our position to issue blanket coverage determinations based upon hypothetical fact patterns or general concerns. When a claim is made, each coverage situation is evaluated on its own merits, based upon the facts and allegations. These allegations, when reviewed with the policy terms, conditions, and exclusions determine the nature and extent of our response. Therefore, RISC is not in a position to determine coverage prospectively. In addition, this correspondence does not in any way amend the policy. RISC believes the policy form speaks for itself, and RISC specifically reserves all of our rights with respect to it, anything contained in this correspondence notwithstanding.

*This notice is being sent to actively-licensed Colorado MLO licensees as notice of the Division's upcoming January 1, 2023 – January 1, 2024 group program pursuant to our contract with the State. Please disregard this notice if you have already enrolled in the Division's 2023 group program or obtained other compliant coverage for 2023. If you do not wish to receive informational emails from RISC, you may reply to this message and include the word "remove" in the subject line of your email. ANY QUESTIONS REGARDING COVERAGE SHOULD BE DIRECTED TO RISC AT 1-800-637-7319****