



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

### North Dakota Real Estate Commission's (NDREC'S) Group E&O Insurance Program

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. The insurance carrier, Continental Casualty Company, a CNA insurance company, is rated "A" Excellent by A.M. Best. Visit our website, [www.risceo.com](http://www.risceo.com), to enroll online, download a sample policy, and obtain additional information. Feel free to contact us with any questions or concerns; we are always happy to hear from North Dakota licensees.

<b>Limits of Liability</b>	\$100,000 per claim / \$500,000 aggregate with a \$1,000 damage deductible and a \$1,000 claim expense deductible	\$187
<b>Increased Limits Available</b>	Option to increase your limits to \$250,000 per claim / \$750,000 aggregate or \$500,000 per claim / \$1,000,000 aggregate	Additional premium required
<b>Firm Excess Policies</b>	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. In addition to traditional excess coverage, our excess program automatically includes these key features at no additional cost: (1) <b>Environmental Hazards Claims Coverage</b> sublimits of \$100,000 per claim and in the aggregate for covered claims alleging failure to advise of the existence of pollutants, asbestos, radon, or lead and (2) <b>Discrimination Claims Coverage</b> sublimits of \$100,000 per claim and in the aggregate for covered claims alleging discrimination in the performance or failure to perform professional services (in addition to the environmental and discrimination sublimits provided in the underlying group program). All of the firm's licensees must participate in the group program for the firm to qualify for an excess policy.	Subject to underwriting approval
<b>Defense Outside Limits</b>	There is NO LIMIT on the amount of defense costs the carrier will pay in connection with claims covered under the basic policy limits.	Automatically included
<b>Firm / Franchise Coverage</b>	Real estate firm and franchisor included in the definition of insured for vicarious liability for covered claims	Automatically included
<b>Spousal Coverage</b>	Licensee's spouse or domestic partner considered an insured in certain situations	Automatically included
<b>Retroactive / Prior Acts Coverage</b>	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.	Automatically included
<b>Fair Housing / Discrimination Coverage</b>	\$25,000 per claim / \$25,000 aggregate (damages) with no limit on defense costs	Automatically included
<b>Environmental Coverage</b>	\$10,000 per claim / \$20,000 aggregate (damages) with no limit on defense costs	Automatically included
<b>Escrow / Earnest Money Coverage</b>	\$5,000 per claim / \$10,000 aggregate (damages) with no limit on defense costs	Automatically included
<b>Lock Box Coverage</b>	\$5,000 per claim / \$10,000 aggregate (damages) with no limit on defense costs	Automatically included
<b>Subpoena Coverage</b>	Payment of up to \$2,500 in attorneys' fees to represent the insured in connection with a covered subpoena (\$2,500 maximum for all subpoenas).	Automatically included
<b>Regulatory Complaints Coverage</b>	\$2,500 per regulatory complaint / \$5,000 aggregate (defense costs)	Automatically included
<b>Primary Residence Coverage</b>	Provides coverage for the sale or listing for sale of the insured licensee's primary residence, under certain conditions.	Automatically included
<b>Security Breach Coverage</b>	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.	Automatically included
<b>Expanded Definition of Professional Services</b>	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.	Automatically included
<b>Property Management Services</b>	The definition of professional services 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.	Property Management Endorsement available for additional premium
<b>Optional Endorsements</b>	See the enrollment form for more information about the optional Appraisal and Conformity Endorsements	Additional premiums required
<b>Territory</b>	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.	Subject to policy provisions
<b>Risk Reduction Material</b>	We incorporate our knowledge of the policy and extensive claims handling experience into educational articles and videos.	Available at <a href="http://www.risceo.com">www.risceo.com</a>

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. ©2017



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## North Dakota Real Estate Commission's Group Errors and Omissions Policy

Real Estate E&O Insurance Designed for North Dakota Licensees

### Please Support Your State Program

Over **\$1 Million** in defense costs and damages have been incurred by Continental Casualty Company (a CNA insurance company) as of August 1, 2017 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.

### 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 insured 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)*