



**CONTINENTAL CASUALTY COMPANY**  
(A stock insurance company, hereinafter called the "Company")

Administrative Office:  
Post Office Box 6709  
Louisville, Kentucky 40206-0709  
(502) 897-1876  
(800) 637-7319

**REAL ESTATE LICENSEES ERRORS AND OMISSIONS  
DECLARATIONS**

**THIS IS A CLAIMS-MADE POLICY. PLEASE READ THIS POLICY CAREFULLY.**

NOTICE: THIS IS A CLAIMS-MADE POLICY. EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN THIS COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS WHICH ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY WHILE THE POLICY IS IN FORCE.

**Policy Number:** 18 EO 0015RI

**ITEM 1. POLICYHOLDER:** The Rhode Island **Licensee**, listed on the Certificate of Insurance, who holds an active real estate license issued by the Rhode Island Department of Business Regulation, Real Estate Division under Rhode Island Real Estate Licensing Law (RIGL Title 5, Chapter 5-20.5) and who has paid the required premium.

**ITEM 2. POLICY PERIOD:** From: Inception Date on Certificate of Insurance  
To: April 30, 2020  
(12:01 A.M. Standard Time at the Address of the **Policyholder** stated in Item 1)

**ITEM 3. LIMITS OF LIABILITY:** (a) \$100,000 per **Claim (Damages)**  
(b) \$500,000 Aggregate all **Claims (Damages)**

**ITEM 4. SUBLIMITS LOCK BOX:** (a) \$5,000 per **Lock Box Claim (Damages)**  
(b) \$10,000 Aggregate all **Lock Box Claims (Damages)**

**ITEM 5. DEDUCTIBLES:**  
DAMAGES \$1,000 each **Claim**  
CLAIM EXPENSES \$1,000 each **Claim**

**ITEM 6. PREMIUM:** \$234 per **Policy Period** plus any applicable endorsement premium

**ITEM 7. RETROACTIVE DATE:** As determined for each **Insured** according to the policy

This insurance does not apply to any **Claim** or **Claims** made against the **Insured** based upon, arising out of, or attributable to any negligent act, error, or omission committed or alleged to have been committed prior to the **Retroactive Date** listed above.

**ITEM 8. OPTIONAL EXTENDED REPORTING PERIOD ADDITIONAL PREMIUM:** One Year is 100% expiring annual premium (\$234 plus any applicable endorsement premium); Two Years is 150% expiring annual premium (\$336 plus any applicable endorsement premium); Three Years is 200% expiring annual premium (\$468 plus any applicable endorsement premium).

The Declarations and the forms listed and attached hereto, together with the completed and signed application shall constitute the contract between the **Insured** and the Company.

April 30, 2018

Authorized Representative

Date



## REAL ESTATE LICENSEES ERRORS AND OMISSIONS POLICY

### NOTICE

THIS INSURANCE IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS. EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, COVERAGE UNDER THIS POLICY IS LIMITED TO LIABILITY ONLY FOR THOSE **CLAIMS** THAT ARE FIRST MADE AGAINST THE **INSURED** AND REPORTED TO THE COMPANY DURING THE **POLICY PERIOD** OR ANY APPLICABLE EXTENDED REPORTING PERIOD. NO COVERAGE EXISTS FOR **CLAIMS** FIRST MADE AGAINST THE **INSURED** BEFORE THE BEGINNING OR AFTER THE END OF THE **POLICY PERIOD**. PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

### INSURING AGREEMENT

#### I. COVERAGE

The Company will pay **Damages**, in excess of the **Damages** Deductible, which the **Insured** becomes obligated to pay as a result or by reason of a **Claim**, so long as the **Claim** is first made against the **Insured** during the **Policy Period** and reported to the Company in writing during the **Policy Period**, unless an Extended Reporting Period applies, provided that:

- A. the negligent act, error, or omission was committed or alleged to have been committed after the **Retroactive Date**; and
- B. prior to the inception date of the **Policy Period** no **Insured** had a basis to believe that any such negligent act, error, or omission or **Related Negligent Act, Error, or Omission** might reasonably be expected to be the basis of a **Claim** against the **Insured**.

The Company has the right and duty to defend the **Insured** against any **Claim** seeking **Damages** covered by this policy until the applicable Limits of Liability or Sublimits of Liability are exhausted. The Company has the right to select counsel; investigate the circumstances of the **Claim**; and pay judgments, settlements, and **Claim Expenses** as the Company deems necessary. In the event a **Claim** is subject to arbitration or mediation, the Company is entitled to exercise all of the **Insured's** rights in the choice of arbitrators or mediators and in the conduct of any arbitration or mediation proceeding. The Company has no duty to defend any **Claim** not covered by this policy.

The Company will not settle any **Claim** without the consent of the **Insured**, which consent shall not be unreasonably withheld. If the Company recommends a settlement to the **Insured** which is agreeable to the claimant, and the **Insured** does not agree to settle, the Company's applicable Limits of Liability or Sublimits of Liability are reduced to the total amount for which the **Claim** could have been settled, less any applicable deductible. The maximum amount the Company will pay in the event of any later settlement or judgment is the amount for which the **Claim** could have been settled plus the amount of **Claim Expenses** incurred up to the time the Company made the recommendation, less any applicable deductible.

#### II. LIMITS OF LIABILITY

The Declarations set forth the Company's Limits of Liability and Sublimits of Liability for the **Policyholder**. The Limits of Liability and Sublimits of Liability are excess of the **Damages** Deductible. All other persons or organizations included under the definition of **Insured** share such Limits of Liability with the **Policyholder**. The Limits of Liability and Sublimits of Liability apply regardless of the number of **Claims** made or the number of persons or organizations making **Claims** against the **Insured**. If **Related Claims** are subsequently made against the **Insured** and reported to the Company timely, all such **Related Claims**, whenever made, shall be considered a single **Claim** first made within the **Policy Period** in which the earliest of the **Related Claims** was first made. All **Related Claims** covered under this Policy shall share the Limits of Liability and Sublimits of Liability set forth in the Declarations.

- A. Subject to the paragraphs below, the Company's Limits of Liability for **Damages** for each **Claim** shall not exceed the amount stated in Item 3 (a) of the Declarations.
- B. The Company's Limit of Liability for **Damages** for all **Claims** shall not exceed the Aggregate Limit stated in Item 3 (b) of the Declarations.



- C. The Company's Sublimit of Liability for **Damages** for each **Lock Box Claim** shall not exceed the per **Lock Box Claim** Sublimit stated in Item 4 (a) of the Declarations. The Company's Sublimit of Liability for **Damages** for all **Lock Box Claims** shall not exceed the Aggregate **Lock Box Claim** Sublimit set forth in Item 4 (b) of the Declarations. **Damages** paid within the **Lock Box Claim** Sublimits of Liability are included within, and not in addition to, the per **Claim** Limit of Liability and the Aggregate Limit of Liability under Item 3 of the Declarations.
- D. If a **Claim** involves coverage issued to two or more **Insureds**, the amount paid by the Company on behalf of all **Insureds** shall be prorated in relationship to the amount awarded against each such **Insured**, but in no event shall the amount paid by the Company for all **Insureds** exceed the Limits of Liability or Sublimits of Liability shown on the Declarations.
- E. Limits of Liability and Sublimits of Liability are not renewed or increased by virtue of the operation of the Automatic or Optional Extended Reporting Period.
- F. In addition to the Limits of Liability and Sublimits of Liability, the Company will pay **Claim Expenses** in connection with covered **Claims**. **Claim Expenses** are in addition to the Limits of Liability and Sublimits of Liability and are excess of the **Claim Expenses** Deductible. The Company's payment of the applicable per **Claim** Limit of Liability or Sublimit of Liability or the applicable Aggregate Limit of Liability or Sublimit of Liability ends the Company's duties to defend, pay **Damages**, and pay **Claim Expenses**.

### III. DEDUCTIBLES

The **Insured** shall pay the **Damages** and **Claim Expenses** Deductibles, as stated in Item 5 of the Declarations, for each **Claim**. The **Damages** Deductible shall apply to the payment of **Damages**. Notwithstanding the **Damages** Deductible stated in the Declarations, **Lock Box Claims** shall be subject to a **Damages** Deductible of \$250 per **Lock Box Claim**. The Company's obligation to pay **Damages** begins only after the **Insured** has paid the **Damages** Deductible. The **Claim Expenses** Deductible shall apply to the payment of **Claim Expenses**. The Company is obligated to pay **Claim Expenses** in excess of the **Claim Expenses** Deductible. Notwithstanding the **Claim Expenses** Deductible stated in the Declarations, no **Claim Expenses** Deductible shall apply with respect to any **Lock Box Claim**. The Company may pay any part or all of the **Damages** or **Claim Expenses** Deductible to settle, defend, or investigate a **Claim**. The **Insured** must promptly reimburse the Company any amount of the **Damages** or **Claim Expenses** Deductible paid by the Company. In the event the **Insured** does not reimburse the Company within 60 (sixty) days, the Company will be entitled to recover reasonable costs and attorney fees incurred in collecting such reimbursement.

If a **Claim** involves two or more **Insureds** who are affiliated with the same **Real Estate Firm**, only one **Damages** Deductible and one **Claim Expenses** Deductible apply. However, the Deductibles will be shared equally by all **Insureds** involved in the **Claim**. Payment of the Deductibles is the joint and several liability of all **Insureds** but collection of the Deductibles will be the responsibility of the **Real Estate Firm**.

### IV. SUPPLEMENTARY PAYMENTS

Payments made under this section are not subject to the **Damages** Deductible or the **Claim Expenses** Deductible. In addition to the Limits of Liability and Sublimits of Liability, the Company will pay the following:

- A. Premiums on appeal bonds and bonds to release attachments. Premiums are limited to bonds no larger than the Company's remaining applicable Limits of Liability or Sublimits of Liability. Obtaining the bond is not the Company's obligation.
- B. \$250 for each day the **Insured** attends a trial or hearing in a civil lawsuit covered under this policy; however, attendance must be at the Company's request. In no event shall the amount payable under this provision exceed a \$5,000 Aggregate Limit during the **Policy Period**. In addition, the \$5,000 limit is the maximum the Company will pay even if such trial or hearing spans more than one **Policy Period**.
- C. Postjudgment interest on that portion of any judgment to which this insurance applies and which accrues after entry of the judgment and before the Company has paid, offered to pay, or deposited, whether in court or otherwise, that part of the judgment for which the Company is responsible.

### V. TERRITORY

- A. Coverage applies to a **Policyholder** domiciled in Rhode Island performing **Professional Services** in Rhode Island.
- B. If the **Policyholder** is domiciled in the State of Rhode Island, then this policy applies to **Professional Services** performed anywhere in the world, provided that:





1. the **Policyholder** will be covered for **Professional Services** performed outside the State of Rhode Island only if the **Policyholder** is duly licensed in such jurisdiction and the services performed would require a license pursuant to the laws of Rhode Island had the acts been performed in Rhode Island and
  2. the **Claim** arising out of the rendering of such **Professional Services** is brought within the United States of America, its territories or possessions.
- C. If the **Policyholder** is not domiciled in the State of Rhode Island, then this policy applies only to **Professional Services** performed in Rhode Island. The **Claim** arising out of the rendering of such **Professional Services** must be brought within the United States of America, its territories or possessions.
- D. For purposes of this section, a **Policyholder** who is not domiciled in the State of Rhode Island shall be treated as domiciled in the State of Rhode Island if the **Policyholder's Principal Real Estate License** is affiliated with a real estate office located in the State of Rhode Island and the **Policyholder** resides within fifty (50) miles of the Rhode Island State line.

## VI. EXCLUSIONS

This insurance does not apply to any **Claim** alleging, arising from, or related to:

A. Fraudulent or Dishonest Acts

fraudulent, dishonest, criminal, or malicious acts committed by the **Insured**, at the **Insured's** direction, with the **Insured's** knowledge, or by anyone for whose acts the **Insured** is legally responsible;

B. Insolvency

the insolvency of the **Insured**;

C. Failure to Pay or Collect

the failure to pay, collect, or return insurance premiums, escrow monies, earnest money deposits, security deposits, tax money, or commissions;

D. Employment Disputes

the wrongful termination of employment, breach of an employment contract, or other employment disputes;

E. Bodily Injury

bodily injury, sickness, disease, mental anguish, pain, suffering, emotional distress, or death of any person;

F. Property Damage

physical injury to, destruction of, or loss of use of tangible property, except that this exclusion shall not apply to a **Lock Box Claim** until the **Lock Box Claim** Sublimit of Liability has been exhausted;

G. Unfair Competition

unfair competition, piracy, advertising injury, or theft or wrongful taking of concepts or other intellectual property;

H. Libel or Slander

libel, slander, defamation of character, disparagement, detention, humiliation, sexual harassment, false arrest or imprisonment, wrongful entry or eviction, violation of the right to privacy, malicious prosecution, personal injury, or other invasion of rights to private occupancy;

I. Discrimination

discrimination on the basis of race, color, creed, national origin, sex, religion, age, sexual preference, marital status, any mental or physical handicap, disease, or any other unlawful discrimination category;

J. Owned or Purchased Property

**Professional Services** relating to property:

1. in which any of the following had more than a 10% ownership or financial interest: an **Insured**; **Insured's** spouse or **Domestic Partner**; or any entity, partnership, or trust in which the **Insured** or **Insured's** spouse or **Domestic Partner** owned or controlled more than 10% ownership or financial interest;
2. purchased or attempted to be purchased by any of the following: an **Insured**; **Insured's** spouse or **Domestic Partner**; or any entity, partnership, or trust in which the **Insured** or **Insured's** spouse or **Domestic Partner** owns or controls more than 10% ownership or financial interest;

however, this exclusion does not apply to any **Claim** arising from the sale of property acquired by the **Insured** pursuant to a guaranteed sale listing contract. The guaranteed sale listing contract must be a written agreement between the **Insured** and the seller of a property in which the **Insured** agrees to purchase the property if it is not sold under the listing agreement in a specified time. For coverage to apply, the **Insured** must hold title to the property for less than one (1) year and must continually offer it for sale;

K. Developed/Constructed Property

**Professional Services** relating to property developed or constructed by any of the following: an **Insured**; **Insured's** spouse or **Domestic Partner**; or any entity, partnership, or trust in which the **Insured** or **Insured's** spouse or **Domestic Partner** owned or controlled more than 10% ownership or financial interest;

L. Statutory Violations

violation of the Employee Retirement Income Security Act of 1974, the Securities Act of 1933, the Securities Exchange Act of 1934, or any state Blue Sky or securities laws, or amendments thereto;

M. Maintenance of Insurance

failure by an **Insured** to provide or maintain insurance;

N. Specified Activities

1. the **Insured's** activities as a lawyer, title agent, mortgage banker, mortgage broker or correspondent, escrow agent, construction manager, property developer, or insurance agent;
2. the **Insured's** activities as an appraiser, if the appraisal activity performed requires licensing or certification other than a real estate license; or
3. the **Insured's** activities as a property manager that do not require a real estate license;

O. Real Estate Investment Trusts

activities involving property syndication, limited partnership, or real estate investment trusts in which any **Insured** has, or had, a direct or indirect interest in the profits or losses;

P. Contractual Liability

liability assumed by any **Insured** under any contract, indemnity agreement, purchase agreement, hold harmless clause, or other similar agreement unless such liability would have attached to the **Insured** in the absence of such contract;

Q. Pollution

whether suddenly or over a long period of time:

1. the actual, alleged, or threatened emission, discharge, dispersal, seepage, release, or escape of **Pollutants**, asbestos, radon, or lead;
2. the actual or alleged failure to detect, disclose, report, test for, monitor, clean, remove, contain, dispose of, treat, detoxify, neutralize, or in any way respond to, assess the effects of, or advise of the existence of **Pollutants**; or



3. any nuclear reaction, nuclear radiation, or radioactive contamination or any act, condition, or pollution incidental to the foregoing.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the **Damages** claimed.

As used in this exclusion, pollution includes the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of **Pollutants**;

R. Mold/Fungi

whether suddenly or over a long period of time:

1. the actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth of, or presence of or
2. the actual or alleged failure to detect, report, test for, monitor, clean, remove, contain, dispose of, treat, detoxify, neutralize, or in any way respond to, assess the effects of, or advise of the existence of any **Fungi**; **Microbes**; or spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of **Fungi** or **Microbes**.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the **Damages** claimed;

S. Expected/Intended

injury or damage expected or intended by the **Insured**;

T. Commission Disputes

disputes over commissions between real estate brokers and/or salespersons or disputes over commissions involving lawsuits initiated by the **Insured**. This exclusion does not apply to disputes over commissions involving counterclaims filed with the approval of the Company;

U. Prior/Subsequent Acts

negligent acts, errors, or omissions committed or alleged to have been committed either (1) prior to the date the **Insured** received an active real estate license or (2) subsequent to the effective date of suspension, revocation, or inactive status of the **Insured's** real estate license;

V. Fines/Penalties

any fines, penalties, assessments, punitive damages, exemplary damages, multiplied damages, or matters deemed uninsurable under applicable law;

W. Conversion

conversion, misappropriation, or commingling of funds or other property;

## VII. EXTENDED REPORTING PERIODS

In case of cancellation or nonrenewal, the **Policyholder** may be eligible for the following Extended Reporting Periods to apply, both subject to Paragraph C. below:

- A. Automatic Extended Reporting Period: In case of cancellation or nonrenewal because the **Policyholder** retires, places license on inactive status, or allows license to expire, the policy will apply to **Claims** first made against the **Insured** and reported to the Company up to ninety (90) days after the effective date of cancellation or nonrenewal. Said ninety (90) day period will be hereinafter referred to as the Automatic Extended Reporting Period.
- B. Optional Extended Reporting Period: In case of cancellation or nonrenewal for any reason, the **Policyholder** shall have the option, upon payment of an additional premium within ninety (90) days after the effective date of



the cancellation or nonrenewal, to cause the policy to apply to **Claims** first made against the **Insured** and reported in writing to the Company during the Optional Extended Reporting Period. The Optional Extended Reporting Period will replace the Automatic Extended Reporting Period. The premium for the Optional Extended Reporting Period will be fully earned and is determined as shown below:

<u>Optional Extended Reporting Period</u>	<u>Premium</u>
One Year	100% expiring premium, including any optional endorsement premium
Two Years	150% expiring premium, including any optional endorsement premium
Three Years	200% expiring premium, including any optional endorsement premium

The Optional Extended Reporting Period cannot be canceled by the Company or the **Insured**.

- C. Coverage afforded by the Automatic and Optional Extended Reporting Periods:
1. Shall apply solely to **Claims** arising from a negligent act, error, or omission
    - a. committed or alleged to have been committed after the **Retroactive Date**;
    - b. committed or alleged to have been committed before the effective date of cancellation or nonrenewal; and
    - c. which are otherwise insured under all the other terms, conditions, and exclusions of this policy.
  2. Shall not apply to any **Claim**, which is insured by any other policy of insurance, nor as excess above such other policy of insurance.
  3. Nothing in Paragraph A. or B. shall serve to increase the Limits of Liability or Sublimits of Liability as provided in Section II. LIMITS OF LIABILITY. The Limits of Liability and Sublimits of Liability for any extended reporting period shall be a part of, and not in addition to, the Limits of Liability and Sublimits of Liability listed in the Declarations.

## VIII. DEFINITIONS

**Claim** means:

1. a written demand for money or services received by the **Insured**; or
2. service of a lawsuit or institution of arbitration or mediation proceedings against the **Insured**

seeking **Damages** and alleging a negligent act, error, or omission in the performance or failure to perform **Professional Services**.

**Claim Expenses** means:

1. fees, costs, and expenses resulting from the investigation, adjustment, defense, and appeal of a **Claim** if incurred by the Company or by the **Insured** with the Company's written consent; and
2. fees charged by attorneys designated by the Company.

Costs, fees, or expenses of employees or officials of the Company are not **Claim Expenses**. Nor shall **Claim Expenses** include salaries, loss of earnings, or other remuneration by or to any **Insured**.

**Damages** means compensatory damages. **Damages** do not include fines; penalties; punitive, exemplary, or multiplied damages; or matters deemed uninsurable under applicable law.

**Domestic Partner** means any person qualifying as a "domestic partner" under any federal, state, or local law or under the **Real Estate Firm's** employee benefit plans.

**Fungi** means any form of fungus including but not limited to yeast, mold, mildew, rust, smut, or mushroom.

**Insured** means the following:

1. the **Policyholder**;
2. the **Policyholder's Unlicensed Employees**;
3. the heirs, executors, administrators, or assigns of the **Policyholder** in the event of the **Policyholder's** death, incapacity, or bankruptcy but only to the extent that the **Policyholder** would have been provided coverage under this policy;

When this policy provides coverage for a **Claim** made against any of its **Insureds** listed in 1, 2, or 3 above, **Insured** will also mean:

4. any **Real Estate Firm** that the **Policyholder** represents but only for its vicarious liability for the negligent acts, errors, or omissions arising out of the **Policyholder's Professional Services**.





**Lock Box** means a device to allow authorized persons without a key to enter a locked door.

**Lock Box Claim** means a **Claim** alleging property damage or loss of use of property resulting from such property damage in the distribution, operation, or use of a **Lock Box** on property not owned, occupied by, or leased to the **Insured** or the **Insured's** spouse or **Domestic Partner**.

**Microbes** mean any nonfungal microorganism or nonfungal colony-form organism that causes infection or disease.

**Policyholder** means the person shown on the Declarations, who holds an active real estate license issued by the Rhode Island Department of Business Regulation, Real Estate Division under Rhode Island Real Estate Licensing Law (RIGL Title 5, Chapter 5-20.5) and who has paid the required premium.

**Policy Period** means the period beginning on the inception date and time shown on the Declarations and ending with the termination, cancellation, or expiration of this policy.

**Pollutants** means any solid, liquid, gaseous, thermal, biological, or radioactive substance, material, matter, toxin, irritant, or contaminant, including but not limited to radon, asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

**Principal Real Estate License** means the state license under which the majority of the **Policyholder's** real estate transactions are conducted.

**Professional Services** means services performed by the **Policyholder** as a real estate broker or salesperson as defined in Rhode Island Real Estate Licensing Law (RIGL Title 5, Chapter 5-20.5) and for which the **Policyholder** is required to have a real estate license, provided all necessary licenses are held by the **Policyholder** at the time of the act, error, or omission giving rise to the **Claim**.

**Real Estate Firm** means a legal entity with which brokers or salespersons, as defined in Rhode Island Real Estate Licensing Law (RIGL Title 5, Chapter 5-20.5), are affiliated and which employs the **Policyholder**.

**Related Claims** means all **Claims** arising out of a single negligent act, error, or omission or arising out of **Related Negligent Acts, Errors, or Omissions** in the rendering of **Professional Services**.

**Related Negligent Acts, Errors, or Omissions** means all negligent acts, errors, or omissions in the rendering of **Professional Services** that are temporally, logically, or causally connected by any common fact, circumstance, situation, transaction, event, advice, or decision.

**Retroactive Date** is the date when the first real estate errors and omissions coverage was effective insuring the **Policyholder** on a claims-made basis and since which time the **Policyholder** has been continuously insured by coverage similar to that provided by this agreement. The **Retroactive Date** is verified for the **Policyholder** at the time the **Claim** is reported in writing to the Company.

**Unlicensed Employee** means the support staff employed by the **Policyholder** and under the **Policyholder's** supervision and control who is assisting the **Policyholder** in the performance of the **Policyholder's Professional Services**, including a personal assistant, clerk, secretary, messenger, and intern but shall not include an owner, officer, director, or any other staff member who is not under the direct supervision of the **Policyholder** or assisting the **Policyholder** in the performance of the **Policyholder's Professional Services**. **Unlicensed Employee** does not include appraisal trainees or anyone who manages property who does not have a real estate license.

## IX. PREMIUM

This coverage shall not be effective until and unless the application for coverage has been approved by the Company and the premium has been paid. Each **Insured's** premium shall be fully earned at the inception date of the policy unless the Company cancels the policy.

## X. AUDIT





The Company may audit the **Insured's** records to determine the accuracy of pertinent information provided by the **Insured**. The Company will give reasonable notice to the **Insured** of such an audit. The audit will take place during the **Insured's** regular business hours.

#### XI. THE INSURED'S DUTIES IF THERE IS A CLAIM

A. The **Insured** shall give written notice by submitting a completed Notice of **Claim** Form to the Company as soon as possible after the **Claim** is first made but in no event more than ninety (90) days after the **Insured** becomes aware of such **Claim**. Such written notice shall include the name of the **Policyholder** and shall include the time, place, and details of the **Claim**. Notice shall be delivered to:

**U.S. Mail Delivery:**

Claims Department  
P. O. Box 6709  
Louisville, KY 40206-0709

**Overnight Delivery:**

Claims Department  
4211 Norbourne Boulevard  
Louisville, KY 40207-4048

**Electronic Delivery:**

Email: [claims@risceo.com](mailto:claims@risceo.com)  
Fax: (502) 896-6343

- B. The **Insured** shall not admit any liability, make any settlement, pay any **Damages**, or assume any duty or obligation for any **Claim** without the prior written consent of the Company. The **Insured** shall not incur any **Claim Expenses** for any **Claim** without the prior written consent of the Company.
- C. The **Insured** shall immediately forward to the Company every demand, notice, summons, or other process received by the **Insured** or the **Insured's** representatives about any **Claim**.
- D. The **Insured** shall cooperate with the Company and, at the Company's request, the **Insured** shall assist the Company in responding to the **Claim** and making settlements. The **Insured** shall attend hearings and trials and help in securing and giving evidence at the Company's request.

#### XII. SUBROGATION

If the Company makes any payment under this policy, the Company shall receive all of the **Insured's** rights of recovery against any persons or organizations. The **Insured** shall assist the Company in whatever way is necessary to secure such rights. When a **Claim** is made, the **Insured** shall do nothing to thwart the Company's recovery of amounts paid to other parties who might be responsible for the **Claims**.

#### XIII. CHANGES

The terms of this policy may not be waived or changed unless the Company issues an Endorsement. All Endorsements become a part of this policy. The **Policyholder** and the Company may make changes in the terms of the policy upon mutual consent.

#### XIV. ACTION AGAINST THE COMPANY

The **Insured** may not bring a lawsuit against the Company unless the **Insured** has complied with all the terms and conditions of this policy. Nor shall an action lie against the Company until judgment or trial determines the **Insured's** responsibility to pay.

#### XV. BANKRUPTCY

Bankruptcy or insolvency of the **Insured** or the **Insured's** estate will not relieve the Company of its obligations under this policy.

#### XVI. CANCELLATION

- A. After the inception of the **Policy Period**, this policy may not be cancelled by the **Policyholder**.
- B. The Company may cancel this policy for nonpayment of Premium in accordance with the provisions of Rhode Island General Laws by giving, mailing, or delivering to the **Policyholder** written notice of cancellation at least ten (10) days before the effective date of cancellation.
- C. The Company may cancel this policy for fraud or material misrepresentation made by or with the knowledge of the **Policyholder** in obtaining the policy, continuing the policy, or presenting a claim under the policy in



accordance with the provisions of Rhode Island General Laws by giving, mailing, or delivering to the **Policyholder** written notice of cancellation at least thirty (30) days before the effective date of cancellation.

**XVII. NONRENEWAL**

If the Company elects not to renew this policy, it will give, mail or deliver to the **Policyholder** written notice of nonrenewal at least sixty (60) days before the expiration date of the policy.

**XVIII. CONFORMITY TO STATUTES**

If applicable law is in conflict with this policy, the policy is amended to conform to that law.

**XIX. OTHER INSURANCE**

This insurance is excess over any other insurance, whether primary, excess, contingent, or on any other basis, except when purchased specifically to apply in excess of this insurance. When both this insurance and other insurance apply to any **Claim**, whether primary, excess, or contingent, the Company shall not be liable under this policy for a greater proportion of the **Damages** or **Claim Expenses** than the applicable Limits of Liability or Sublimits of Liability under this policy for such **Damages** bears to the total applicable Limits of Liability and Sublimits of Liability of all valid and collectible insurance against such **Claims**.

**XX. LICENSE INACTIVE**

In the event a **Policyholder's** license is placed on inactive status during a period in which the **Policyholder** has paid the applicable premium, the policy will remain in effect for the remainder of the **Policy Period** as if the license had not been placed in inactive status, regardless of whether the license is re-activated, except that coverage will not be provided for acts, errors, or omissions of the **Policyholder** that occur during the period when the license was in an inactive status.

**XXI. AUTHORIZATION CLAUSE**

By accepting this policy, the **Insured** agrees that the statements in the application are the **Insured's** agreements and representations. The **Insured** agrees that these statements are true and correct as of the inception of this policy. This policy has been issued relying upon those statements and representations. The **Insured** agrees that the policy and application are the total agreement between the **Insured** and the Company or its agents.

**XXII. TRANSFER**

This policy is not transferable.

**XXIII. TRADE AND ECONOMIC SANCTIONS**

This policy does not provide coverage for **Insureds**, transactions, or that part of **Damages** or **Claim Expenses** that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

IN WITNESS WHEREOF, we have caused this policy to be executed by our Chairperson and Secretary, but this policy shall not be binding upon us unless completed by the attachment of the Certificate of Coverage and executed by our duly authorized representative.

Chairperson Thomas F. Motawed

Secretary John M. Walker