



Official Colorado Real Estate Appraisers'
Group Errors & Omissions (E&O) Program
Administered by Rice Insurance Services Company, LLC (RISC)
Underwritten 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 Colorado official state group E&O program for real estate appraisers. We have tailored the group policy for Colorado Appraisers to provide coverage that exceeds state requirements for an affordable premium. If you have active Colorado real estate appraiser and real estate broker licenses, you may be interested in our group program for real estate brokers, which can also satisfy state appraiser E&O requirements with the addition of an appraisal endorsement.

BASIC POLICY only \$308

Limits of Liability \$100,000 per claim / \$300,000 aggregate with \$500 damage deductible and no defense cost deductible (only one deductible applies if a claim involves multiple appraisers with the same firm).

Increased Limits Available to individual appraisers for additional premium.

) \$300,000 per Claim / \$600,000 Aggregate (\$234 or \$327)

) \$500,000 per Claim / \$1,000,000 Aggregate (\$311 or \$418)

) \$1,000,000 per Claim / \$1,000,000 Aggregate – requires a completed supplemental application form.

The carrier may request additional information before approving any increased limits endorsement. The carrier may refuse to issue any increased limits endorsement for any reason, including misrepresentation regarding type of appraisal activity or claims history.

AUTOMATICALLY INCLUDES

First Dollar Defense: Applies WITH NO CONDITIONS to all covered claims.

Unlimited Defense Costs: There is NO LIMIT on the amount of defense costs the carrier will pay in connection with claims covered under the basic policy limits. (There are limits on defense costs under the regulatory complaints, subpoena, discrimination, and lock box coverages, since they are not covered at all under many traditional E&O policies.)

Firm Coverage: Appraisal firm included in the definition of insured for vicarious liability for covered claims. *This policy is not available to appraisal management companies and does not insure services as a controlling appraiser for an appraisal management company.*

Retroactive / Prior Acts Coverage: Insures prior appraisal services, provided you have maintained continuous real estate appraiser E&O insurance (from any provider) from the date of the professional services to the date the claim arises. Some policies do not apply to professional services performed while the insured was with a different carrier or associated with a different appraisal firm.

Discrimination / Fair Housing Claim Sublimits: \$100,000 per claim / \$200,000 aggregate (damages and defense costs, combined).

Lock Box Claim Sublimits: \$10,000 per claim / \$20,000 aggregate (damages and defense, combined)

Regulatory Complaints Coverage: \$2,500 per regulatory complaint / \$5,000 aggregate (defense costs)

Subpoena Assistance Coverage: Up to \$2,500 (maximum during the policy period) in attorneys' fees to respond to a subpoena arising out of covered professional services.

APPRAISAL TRAINEE ENDORSEMENT \$100 per trainee

The group policy applies to the insured appraiser's professional services. It does not apply to services performed by anyone who is not a certified or licensed appraiser and assists in the collection of data or preparation of an appraisal, regardless of whether the person was under the direct supervision of a certified or licensed appraiser or whether the final appraisal was approved and signed by a certified or licensed appraiser. If you utilize or supervise appraiser trainees, you may be interested in purchasing an appraisal trainee endorsement, which changes the definition of insured to include specific appraiser trainees listed in the endorsement that are employed by you and assisting you in the performance of your profession services. A separate premium applies to each appraiser trainee listed. Because this is a claims-made-and-reported policy, an endorsement will only apply to a claim if the endorsement is in effect when a claim is actually made, which may be after this policy period expires. Therefore, you may want to consider continuing to purchase the endorsement for as long as you would like the coverage.

WHERE COVERAGE APPLIES

For appraisers domiciled in Colorado, 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 an appraiser license had they been performed in Colorado. Licensees not actually domiciled in Colorado are insured only for professional services rendered in Colorado.

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, to enroll online, download a sample policy, and obtain additional information.

Contact us with any questions or concerns; we are always happy to hear from Colorado appraisers.



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Please Support Your State Program

RISC and the carrier share a commitment to their insureds and providing valuable coverage to Colorado real estate appraisers. The state group program offers affordable E&O insurance to each and every appraiser 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. E&O premiums outside of the group program often cost thousands of dollars.

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 real estate appraisers or licensees to maintain insurance. The insurance carrier is Continental Casualty Company, a CNA company. 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 Revamped Website Makes Everything Easier

We are dedicated to exceptional customer service, which is why we updated our website making everything easier and more convenient. Take a look at our new website and learn how RISC puts the Experience and Options in E & O programs.

Questions?

Visit our website, www.risceo.com or
contact us at 1-800-637-7319

We are always happy to hear from Colorado appraisers.

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 provide first dollar defense? Yes. There is no deductible for defense costs. Other policies may have stringent requirements that must be followed to qualify for first dollar defense.

Does the policy offer unlimited defense costs? Yes. There is no limit on the amount of defense costs under the basic policy (defense costs are limited under the discrimination, lock box, regulatory complaints, and subpoena coverages; however, traditional E&O policies do not provide these coverages at all).

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; or your spouse's parents, grandparents, siblings, or children.

Does the policy apply to claims relating to all types of real property? Yes. The group 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 appraisals, consider whether you are willing to forgo an opportunity to appraise commercial property or farm land or to risk not having coverage for a claim resulting from the appraisal.

Does the policy insure your firm for its vicarious liability for your professional services? Yes. Claims are often made against appraisal firms as a result of their appraisers' negligence. Under the group program, the policy applies to covered claims alleging the firm's vicarious liability for negligence in the insured appraiser's professional services. Some policies issued to individual appraisers 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.

Does the policy allow you a voice in choosing an attorney? Yes. The group policy provides that defense counsel must be mutually agreeable to the insured and the carrier, so the carrier cannot assign an attorney you do not agree to represent you in a covered claim.

Are insureds satisfied with the provider's service? Yes. Below are excerpts from actual emails we have received from Colorado insureds:

I've never seen better service than what you provide for us each year. I ask for something and it's always answered by the end of the day. I wish all companies had your work ethic. I know I'm not the only one asking many questions and you're always there.... Thank you. B.F.

My sincere thanks to [the RISC adjuster] for her professional, timely, and compassionate handling of my situation. I have never gone through this . . . but at this point, I feel that I am in excellent hands with [local defense counsel] and his firm. G.R.

Your excellent customer service is truly appreciated. M.G.

You are always so helpful. Thank you for always making this so simple for me. J.M.



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ATTENTION COLORADO APPRAISER: Colorado law requires that active appraisers maintain E&O insurance to cover all licensed activities. Appraisers employed by a local, state, or federal government entity are exempt from the requirement. Appraiser applicants must obtain E&O insurance prior license activation. Active certified general appraisers, certified residential appraisers, and licensed appraisers under C.R.S. Title 12, Article 61, Part 7 may enroll in the group program. We will verify coverage with DORA; it is your responsibility to provide verification to other entities. This program is not available to appraisal management companies and does not insure services as a controlling appraiser for an appraisal management company. Insurance may be obtained outside of the group program, provided state requirements are met. Always obtain and renew your E&O insurance timely to avoid administrative penalties and fines and to prevent a gap in coverage, which could lead to uncovered claims.

IMPORTANT INFORMATION REGARDING APPRAISAL FIRMS: Appraisal Firm means a legal entity with which certified general appraisers, certified residential appraisers, or licensed appraisers, as defined in C.R.S. §12-61-706, are affiliated and which employs the Appraiser. Appraisal Firm does not include an appraisal management company, as defined in C.R.S. §12-61-702. The policy's definition of insured includes "any Appraisal Firm that the Appraiser represents but only for its vicarious liability for the negligent acts, errors, or omissions or Discriminatory Conduct arising out of Professional Services by the Appraiser."

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 Colorado appraisers. The insurance carrier is Continental, a CNA insurance company. 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 appraisers to review a sample policy, including the Exclusions section. A sample policy and additional information are available on our website, www.risceo.com, or by calling us toll-free at 1-800-637-7319, Option 1.

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. Any claim under the group policy must be reported to us in writing during the individual policy period in which it is first made against the insured. For further instructions and a notice of claim form, visit our website, www.risceo.com, then select the "Resources" tab and click "Forms" or call us toll-free at 1-800-637-7319, Option. 2.

Appraiser Trainee Endorsement: The group policy applies to the insured appraiser's professional services. It does not apply to services performed by anyone who is not a certified or licensed appraiser and assists in the collection of data or preparation of an appraisal, regardless of whether the person was under the direct supervision of a certified or licensed appraiser or whether the final appraisal was approved and signed by a certified or licensed appraiser. If you utilize or supervise appraiser trainees, you may be interested in purchasing an appraisal trainee endorsement, adds specific appraiser trainees employed by you and assisting you in the performance of your profession services as insureds. A separate premium applies to each appraiser trainee listed. Because this is a claims-made-and-reported policy, an endorsement will only apply to a claim if the endorsement is in effect when a claim is actually made, which may be after this policy period expires. Therefore, you may want to consider continuing to purchase the endorsement for as long as you would like the coverage.

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 ALL professional services performed before the new policy's effective date, even if you had E&O insurance when the services were provided and again when the claim arises. If you fail to enroll timely, call RISC immediately to see if you qualify to backdate your individual policy period to January 1, 2019. This procedure will not remedy noncompliance with mandatory insurance laws, which will result in penalties and fines.

If You Are Not Renewing: There is no coverage for claims that arise after the end of your individual policy period unless an extending reporting period (ERP) is in place. Claims often arise years after the subject transaction occurred. If you are not renewing coverage for any reason, (i.e. inactivating/retiring your license or switching to a firm policy), you should consider purchasing an ERP endorsement. We offer 1, 2, and 3 year ERP endorsements to extend the policy's reporting date to apply to claims that are first made and reported within that period. An ERP endorsement may be purchased any time during or up to 90 days after the end of your individual policy period.

Territory: Appraisers domiciled in Colorado are insured for real estate appraisal services performed anywhere they are duly licensed, provided the services would require an appraiser license if performed in Colorado. Appraisers not domiciled in Colorado are insured for professional services performed only in Colorado. To be eligible for coverage, a claim must be brought within the United States of America, its territories or possessions.

Effective Date: Appraisers who enroll before January 1, 2019 will have a January 1, 2019 inception date. Appraisers who enroll after January 1, 2019 will have an inception date of the day we receive the appraiser's *completed application and premium*. Appraisers not enrolled in the current group policy may request a different inception date (after January 1, 2019) for Continental's consideration: _____

Premium / Deductible: 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:** _____

Page 1 of 2 – Both Pages Must Be Completed for Coverage to be Issued – Please Keep a Copy for Your Records



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APPRAISER ENROLLMENT FORM

If you also have an active Colorado real estate broker license in addition to an active Colorado appraiser license, you may satisfy state appraiser and real estate broker E&O requirements by enrolling in our real estate broker group program and adding an appraisal endorsement.

We will verify coverage with the Colorado Department of Regulatory Agencies (DORA); it is your responsibility to provide verification to other entities. Insurance may be obtained outside of the group program, provided state requirements are met.

HOW TO ENROLL

Online: At www.risceo.com with a Visa or MasterCard and download a certificate of coverage immediately (a nonrefundable \$5 convenience fee applies).

Mail: Complete this form and send with your premium payment (check or money order payable to RISC) by **December 14, 2018** to ensure adequate time for processing. If you need proof of coverage for anyone other than DORA, be sure to check their deadline and send your enrollment material to us at least 10 days prior to the date you need proof of coverage to ensure adequate processing time.

Mailing Address:
 RISC, PO Box 6709, Louisville, KY 40206-0709

Overnight Address:
 RISC, 4211 Norbourne Blvd., Louisville, KY 40207-4048

APPRAISER INFORMATION: Correct any incorrect information and fill in any blanks. Failure to do so may delay the issuance of your coverage.

Full Name:		License/Credential Type:	License/Credential Number:
Appraisal Firm*:		SSN (Last 4 Digits Only):	
Mailing Address:			
City:	State:	ZIP:	
Work Phone:	Home Phone:	Cell Phone: <input type="checkbox"/> I want to receive text reminders if/when available.	
Fax:	Email**:		

*Appraisal Firm means a legal entity with which certified general appraisers, certified residential appraisers, or licensed appraisers, as defined in C.R.S. §12-61-706, are affiliated and which employs the Appraiser. Appraisal Firm does not include an appraisal management company, as defined in C.R.S. §12-61-702. The policy's definition of insured includes "any Appraisal Firm that the Appraiser represents but only for its vicarious liability for the negligent acts, errors, or omissions or Discriminatory Conduct arising out of Professional Services by the Appraiser."

**We occasionally send important notices by email. To receive these notices, provide your current email address and add out email domain (@risceo.com) to your address book.

SELECT YOUR DESIRED COVERAGE(S)

Basic Policy: January 1, 2019 to January 1, 2020 Limits of Liability: \$100,000 per claim / \$300,000 aggregate Deductible: \$500 (Damages only)	\$308	<input checked="" type="checkbox"/>
Appraiser Trainee Endorsement: Changes the definition of insured to include specific appraiser trainees listed in the endorsement. See reverse side for more information. Trainee Name: _____ <i>If more than one trainee, you <u>must</u> attach a list of appraisal trainees that you would like listed in the endorsement.</i>	\$100 <i>per appraisal trainee</i>	<input type="checkbox"/>
Increased Limits Endorsements: You may purchase ONLY ONE of the following increased limit endorsements		
\$300,000 per claim / \$600,000 aggregate	A 75% or more* of your appraisal activity income is earned from Residential Appraisals** and you have had no claims*** in the past 5 years	\$234
	B Less than 75%* of your appraisal activity income is earned from Residential Appraisals** or you have had one or more claims*** in the past 5 years	\$327
\$500,000 per claim / \$1,000,000 aggregate	A 75% or more* of your appraisal activity income is earned from Residential Appraisals** and you have had no claims*** in the past 5 years	\$311
	B Less than 75%* of your appraisal activity income is earned from Residential Appraisals** or you have had one or more claims*** in the past 5 years	\$418
\$1,000,000 per claim / \$1,000,000 aggregate To request this endorsement, you must complete and submit a supplemental application form (available by calling us at 1-800-637-7319, Option 1) along with this enrollment form.	Contact RISC for proper form	

*To determine the percentage of your appraisal activity income derived from Residential Appraisals, divide your income derived from Residential Appraisals by the amount of your total appraisal activity income.

**Residential Appraisals means appraisals of properties zoned for and occupied exclusively as residences for 4 families or less. Residential Appraisals also includes: (1) appraisals of vacant land, provided the land is zoned for residential use and is not a development project of 4 or more residences and (2) appraisals of farm property that will be a buyer's principal residence and where a buyer will derive no more than 25% of total income from farming.

***A claim (written demand for money or services, filing of suit, or institution of arbitration proceedings) made against you or your firm for your acts is considered a claim against you for purposes of calculating the endorsement premium.

Basic Policy Premium	\$ 308
+ Any Optional Endorsement Premium	\$ _____
TOTAL	\$ _____