



MISSISSIPPI REAL ESTATE COMMISSION'S (MREC's) GROUP ERRORS AND OMISSIONS (E&O) PROGRAM

Administered by Rice Insurance Services Company, LLC (RISC)
Issued 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

Benefits of a Group Program with the Individualized Attention You Deserve

The Mississippi Real Estate Commission has contracted with RISC to provide the state group real estate errors and omissions (E&O) insurance program for Mississippi licensees. The insurance carrier, Continental Casualty Company, a CNA insurance company, is rated "A" Excellent by A.M. Best. RISC has served Mississippi licensees for nearly 25 years. We hope that we have exceeded our insureds' expectations and continue to strive to do so.

BASIC POLICY only \$148 for a year!

Limits of Liability of \$100,000 per claim / \$500,000 aggregate w/ \$1,000 damage deductible and no deductible for defense costs.

Increased limits available to individual (not firm) licensees for an additional premium:

\$250,000 per claim / \$750,000 aggregate (\$80)

\$500,000 per claim / \$1,000,000 aggregate (\$158)

AUTOMATICALLY INCLUDES

First Dollar Defense: Applies WITH NO CONDITIONS to all covered claims (note a low deductible of \$250 applies to damages and defense costs for lock box claims)

Defense Outside Limits: There is NO LIMIT on the amount of defense costs the carrier will pay in connection with claims covered under the basic policy (except under the fair housing / discrimination, environmental, escrow / earnest money, subpoena, and regulatory complaints coverages, which were traditionally not covered at all under many E&O policies).

Expanded Definition of Professional Services: The definition of professional services includes property management, broker price opinions, and services performed or advice given in connection with licensed activity (including as a notary public and as a real estate consultant or counselor).

Firm / Franchise / Team Coverage: Real estate firm, real estate franchisor, and real estate team included in the definition of insured for vicarious liability for covered claims.

Retroactive / Prior Acts Coverage: 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.

Discrimination / Fair Housing Coverage: \$25,000 per claim / \$25,000 aggregate (damages & defense costs, combined)

Environmental Coverage: \$10,000 per claim / \$20,000 aggregate (damages & defense costs, combined)

Escrow / Earnest Money Coverage: \$5,000 per claim / \$10,000 aggregate (damages & defense costs, combined)

Lock Box Coverage: \$5,000 per claim / \$10,000 aggregate (damages with unlimited defense costs)

Subpoena Coverage: Payment of \$2,500 in attorneys' fees to represent the insured in connection with a covered subpoena (maximum for all subpoenas \$2,500).

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

Primary Residence Coverage: Provides coverage for the sale or listing for sale of the insured licensee's primary residence, under certain conditions.

Team Coverage: More and more licensees are choosing to work in teams. RISC's policy insures real estate teams (in addition to real estate firms and franchisors) for vicarious liability for a negligent act, error, or omission in the insured licensee's professional services.

OPTIONAL ENDORSEMENTS AVAILABLE TO INDIVIDUAL (NOT FIRM) LICENSEES

Appraisal Endorsement: (\$200) Adds licensed appraisal services to the activity insured by the group policy. *Eligibility requirements: (1) an active Mississippi real estate license and (2) an active appraisal license.*

Appraiser Trainee Endorsement: (\$200 per trainee) Adds specific appraiser trainees as insureds while employed by you, under your supervision and control, and assisting you in the performance of your profession services.

Contingent Bodily Injury / Property Damage Endorsement: (\$30) \$10,000 per claim & aggregate (damages & defense costs, combined) for bodily injury and property damage claims that arise from professional services under certain conditions.

Residential Personal Interest Endorsement: (\$15) Adds insurance for the sale or listing for sale of residential property in which you, your spouse, or an entity you own, has an ownership interest, under certain conditions.

OPTIONAL ENDORSEMENT AVAILABLE TO ALL LICENSEES

Conformity: (\$20) Conforms your coverage under the Mississippi group policy to comply with another mandated state's E&O requirements. To be eligible, you must be actually domiciled, or treated as domiciled, in Mississippi under the policy.

WHERE COVERAGE APPLIES

For licensees domiciled in MS, 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 MS. Licensees not actually domiciled in MS or not considered to be domiciled in MS under the policy terms are insured only for professional services rendered in MS.

FIRM EXCESS COVERAGE (Subject to Underwriting Approval)

Firm excess policies (written by Continental Casualty Company) with \$1,000,000 limits. To qualify, all of the firm's licensees must participate in the group program. The firm's broker or officer must complete an application to obtain a quote for a firm excess policy.

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, view sample policy and endorsement forms, and obtain additional information. Also feel free to contact us with any questions or concerns. We are always happy to hear from Mississippi licensees.



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Please Support Your State Program

Over **\$7.5 Million** in defense costs and damages have been incurred as of April 30, 2019 since the current carrier began offering E&O insurance to Mississippi licensees in 2003. RISC and the carrier share a commitment to their insureds and providing valuable coverage to Mississippi licensees. When shopping for insurance coverage it's important to ask about the company's experience and paid claims in Mississippi. If a company is charging a very low amount, you may find out 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. We provide group policies in the vast majority of states that have group programs and require licensees to maintain insurance. 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 providing exceptional customer service, which is precisely why we tailored our website to make things easier and more convenient for licensees. Take a look at our website and learn how RISC puts the Experience and Options in E&O programs.

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. Under the RISC policy, there is no deductible for defense costs (note a low deductible of \$250 applies to damages and defense costs for lock box claims). Other policies may have stringent requirements that must be followed to qualify for first dollar defense.

Does the policy offer unlimited defense costs? Yes. Under the RISC policy, there is no limit on the amount of defense costs available to pay covered claims (except under the fair housing/discrimination, environmental, escrow/earnest money, subpoena, and regulatory complaint coverages, which were not traditionally covered at all under many E&O policies).

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 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 and real estate team for their vicarious liability for your professional services? Yes. Claims are often made against real estate firms and teams as a result of their licensees' negligence. Under the group program, the insured licensee's policy applies to covered claims alleging the firm or team's vicarious liability for negligent acts, errors, and omissions in the licensee's professional services. Some policies issued to individual licensees may not provide coverage for the firm or team's vicarious liability for their actions, which may leave the firm and team uncovered in the event of a claim.

Are insureds satisfied with the provider's service? Yes. Below are excerpts from actual emails from our insureds:

I wanted to thank everyone again. [The defense counsel retained by RISC] was outstanding to work with and I feel very fortunate to have RISC as my insurance company. I cannot thank you all enough. R.C.

I have yet to see any insurance company offer what RISC does as far as quality service and professionalism in the industry. You have definitely set the bar, and it is such a pleasure to work and do business with friendly, service-oriented professionals such as you and [your staff]. T.G.

Questions?

Call us at 1-800-637-7319 or visit our website at www.risceo.com.

We look forward to hearing from you.



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NOTICE: The MREC has contracted with RISC to provide the 2019 state group policy. If you are insured under our current group policy, your insurance expires July 1, 2019. Failure to timely obtain or renew coverage may lead the MREC to inactive your license and assess fines and penalties. Mississippi law requires that all active individual real estate licensees carry and maintain E&O insurance to cover all licensed activities. Active licensed real estate companies are not required to carry E&O insurance but may choose to do so (the responsible broker is required to maintain individual E&O coverage). New licensees must provide the MREC with proof of E&O insurance within 30 days of license activation. Licensees may purchase insurance outside of the group program, provided coverage complies with state law and proof of coverage is provided to the MREC 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 Mississippi licensees. 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 licensees 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, ext. 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 for, visit our website, www.risceo.com, then select the "Resources" tab and click "Forms," or call us toll-free at 1-800-637-7319, ext. 2.

If You are Not Renewing: There is no coverage for claims that arise after the policy expires unless an extended 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 2018 policy expires. For licensees insured under the 2019 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 fail to enroll timely, call RISC immediately to see if you qualify to backdate your individual policy period to July 1, 2019, which may avoid a gap in coverage and loss of any previously-established retroactive date. This procedure will not remedy noncompliance state requirements.

Territory: Licensees domiciled in Mississippi are insured for real estate services performed anywhere they hold an active license, provided the services would require a real estate license if performed in Mississippi. Licensees not domiciled in Mississippi are insured for Mississippi transactions only. Out-of-state licensees may be considered domiciled in Mississippi if their principal real estate license is affiliated with a real estate office in Mississippi and they reside within 50 miles of the Mississippi state line.

Effective Date: Licensees who enroll prior to July 1, 2019 will have a July 1, 2019 inception date. Licensees who enroll after July 1, 2019 will have an inception date of the day we receive the licensee's *completed application and premium*. Licensees not currently enrolled in the current group policy may request a different inception date (after July 1, 2019) for the carrier'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: _____

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 Mississippi. © 2019



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INDIVIDUAL ENROLLMENT FORM

Mississippi law requires that all active individual real estate licensees carry and maintain E&O insurance to cover all licensed activities. Failure to have E&O coverage in place by July 1, 2019 is a violation of state law and may lead the MREC to inactive your license and assess fines and penalties. Licensees may purchase coverage outside of the group program, provided coverage meets state requirements and proof of coverage is provided to the MREC as required by state law.

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: Send completed form (both sides) with payment by check or money order payable to RISC. Allow 7-10 business days for processing.

Mailing Address RISC, PO Box 6709, Louisville, KY 40206-0709	Overnight Delivery RISC, 4211 Norbourne Blvd., Louisville, KY 40207-4048
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LICENSEE INFORMATION

Correct any incorrect information and fill in any blanks. Failure to do so may delay issuance of your coverage and confirmation to the MREC. This form is for individual licensees only. Firm licensees should use the optional firm enrollment form.

Licensee Name:	License Type:	License Number:
Real Estate Firm:	Last 4 Digits of SSN:	
Address:		
City:	State:	ZIP:
Work Phone:	Home Phone:	Cell Phone: <input type="checkbox"/> I want text reminders if/when that option is available
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.*

Select Desired Coverage(s) Below

Basic Policy Premium for Effective Dates: July 1, 2019 to July 1, 2020 Limits of Liability: \$100,000 per claim / \$500,000 aggregate Deductible: \$1,000 (damages)	\$148	<input checked="" type="checkbox"/>
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Available Optional Coverages:

Because this is a claims-made-and-reported policy, an endorsement will only apply to a claim if the endorsement is in effect when the claim is actually made, which may be after this policy period expires. You should consider continuing to purchase an endorsement for as long as you would like the coverage to apply (provided you continue to meet any eligibility requirements).

Appraisal Endorsement: Eligibility requirements: (1) an active real estate license <u>and</u> (2) an active appraisal license. Appraisal License #: _____	\$200	
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Appraiser Trainee Endorsement: Adds specific appraiser trainees as insureds while employed by you, under your supervision and control, and assisting you in the performance of your profession services. <i>Eligibility Requirement: You must also purchase an Appraisal Endorsement. You <u>must</u> attach a list of appraisal trainees that you would like listed in the endorsement. A separate premium applies to each appraisal trainee listed.</i>	\$200 per appraisal trainee	
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Conformity Endorsement: Conforms your MS policy to comply with E&O requirements in other states where you have an active real estate license. Eligibility requirement: you must be actually domiciled in MS or treated as domiciled in MS by the policy terms. Please circle applicable state(s): AK CO ID IA KY LA NE NM ND RI SD TN* WY Other State License Type: _____ / Other State License #: _____ (identify state if more than one) <i>* Eligibility for TN conformity is limited by TN regulations. Contact RISC if you need coverage for a TN license.</i>	\$20 (Regardless of number of states at issuance)	
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Contingent Bodily Injury / Property Damage Endorsement: \$10,000 per claim / \$10,000 aggregate (damages & defense costs, combined) for bodily injury and property damage claims that arise from professional services under certain conditions.	\$30	
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Residential Personal Interest Endorsement: Adds insurance for the sale or listing for sale of residential property in which you, your spouse, or an entity you own, has an ownership interest, under certain conditions.	\$15	
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Increased Limits Endorsements – You may purchase ONLY ONE of the following:		
Increased Limits of \$250,000 per claim / \$750,000 aggregate	\$80	
Increased Limits of \$500,000 per claim / \$1,000,000 aggregate	\$158	

	BASIC PREMIUM	\$ 148
	+ OPTIONAL ENDORSEMENT PREMIUM (IF ANY)	\$ _____
	TOTAL DUE	\$ _____