



**NEW MEXICO REAL ESTATE COMMISSION'S (NMREC'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

NOTICE – New Mexico law requires that all active real estate brokers carry and maintain E&O insurance to apply to all licensed activities. NMREC rules require qualifying brokers to ensure all qualifying and associate brokers affiliated with a firm obtain and maintain a current E&O policy. If you were enrolled in the NMREC's 2019 group policy, your coverage expired January 1, 2020. If insurance is not timely obtained or renewed, the NMREC may initiate disciplinary action against the broker. Brokers may purchase insurance outside the group program, provided coverage meets state requirements and a certificate of equivalent coverage is provided to the NMREC as required by state law. The NMREC requires proof of insurance at the time of license activation. Please verify your company participates in the group program with your qualifying broker before submitting your premium. Brokers with inactive licenses are not required to have E&O insurance. Real estate firms are not required to maintain E&O coverage.

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 New Mexico brokers. The insurance carrier is Continental Casualty Company, 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.

OPTION FOR RENEWING E&O COVERAGE FOR MULTIPLE BROKERS – Companies with 10+ brokers can request a Multiple Broker Renewal Form to electronically submit enrollment information for all the firm's brokers timely and expediently.

REVIEW THE FOLLOWING IMPORTANT INFORMATION AND SIGN BELOW

What Is and Is Not Covered – We urge all brokers 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 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, ext. 2.

Prior Acts and Importance of Timely Renewal – Your "retroactive date" determines whether your insurance applies to claims involving services performed before the new policy's effective date. The retroactive date is the date from which you have continuously maintained uninterrupted E&O insurance with no breaks between policy periods. 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 failed to enroll timely, call RISC immediately to see if you qualify to backdate your individual policy period to January 1, 2020. This procedure will not remedy noncompliance with mandatory insurance laws, which will result in penalties and fines.

Not Renewing Coverage through the Group Program? Consider an Optional Extended Reporting Period (ERP) Endorsement – There is no coverage for claims that arise after the end of your individual policy period unless an ERP is in place. Claims often arise years after the subject transaction occurred. If you do not renew coverage for any reason (e.g. inactivating / retiring your license or switching to another provider), you should consider purchasing an ERP endorsement. We offer optional 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 only be purchased any time during or up to 90 days after the end of your individual policy period.

Territory – Brokers domiciled in New Mexico are insured for real estate services performed anywhere they hold an active real estate license, provided the services would require a real estate license if performed in New Mexico. Brokers not domiciled in New Mexico are insured for New Mexico transactions only. Out-of-state brokers may be considered domiciled in New Mexico if their principal real estate license is affiliated with a real estate office in New Mexico and they reside within 50 miles of the New Mexico state line. See the Territory section of the policy.

Effective Date – Brokers who enroll after January 1, 2020 will have an inception date of the day we receive the broker's *completed application and premium*. To request a different inception date (after January 1, 2020) for Continental's consideration, insert date: _____

Premium / Deductible – All premiums are fully earned at policy inception and no refunds are permitted after that date. If your payment is returned for non-sufficient 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 Continental 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 New Mexico. © 2020



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ENROLLMENT FORM – PRORATED

NOTICE – New Mexico law requires that all active real estate brokers carry and maintain E&O insurance to cover all licensed activities. Failure to timely obtain or renew coverage may cause the NMREC to initiate disciplinary action.

HOW TO ENROLL

ONLINE – At www.risceo.com with a Visa or MasterCard and download a certificate of coverage immediately (a \$5 nonrefundable convenience fee applies to online enrollment).

MAIL – Select desired coverages below. Send completed form (both pages) with a check or money order payable to RISC. Allow 7 – 10 days to allow us time to process your enrollment and provide proof of coverage to the NMREC.

Mailing Address
RISC, P.O. Box 6709, Louisville, KY 40206-0709

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

BROKER INFORMATION

Provide correct and complete information. Failure to do so may delay issuance of coverage and confirmation to the NMREC.

Broker Name:	License Type(s):	License No(s):
Real Estate Firm:	Last 4 Digits of Your SSN:	(include all license nos. if more than one)
Address:		
City:	State:	Zip Code:
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](mailto:risceo.com)) to your address book.

SELECT DESIRED COVERAGE(S)

BASIC POLICY	Unit Price	Amount Due
Prorated Premiums (2020 effective date – all policies expire January 1, 2021) – Jan \$349 / Feb \$320 / Mar \$291 / Apr \$262 / May \$233 / June \$204 / July \$174 / Aug \$145 / Sept \$116 / Oct \$87 / Nov \$58 / Dec \$29 Limits of Liability – \$100,000 per claim / \$500,000 aggregate Deductible – \$1,000 (Damages)	See prorated premiums at left	

OPTIONAL ENDORSEMENTS

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 first 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).

Conformity Endorsement – Conforms your insurance through the NM policy to comply with the E&O requirements in another mandated state where you have an active real estate license. You must be actually domiciled in NM or treated as domiciled in NM by the policy terms. Circle applicable state(s): AK CO ID IA KY LA MS MT NE ND RI SD TN* WY Other State License Type: _____ / Other State License #: _____ (identify state if more than one)	\$15 Regardless of number of states at issuance	
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*Eligibility for TN conformity is limited by TN regulations. Contact RISC if you need coverage for a TN license.

Appraisal Endorsement – Adds appraisal services to the professional services insured under the policy. Eligibility Requirements: (1) an active New Mexico real estate license and (2) active New Mexico appraisal license. Appraisal License #: _____	\$200	
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Increased Limits of Liability \$250,000 per claim / \$750,000 aggregate	A	75% or more* of your real estate activity income is earned from Residential Sales** and you have had no claims*** in the past 5 years	\$123	
	B	Less than 75%* of your real estate activity income is earned from Residential Sales** or you have had 1 or more claims*** in the past 5 years	\$184	

*To determine the percentage of your real estate activity income derived from Residential Sales, divide your income derived from Residential Sales by the amount of your total real estate activity income.

**Residential Sales means sales of properties zoned for and occupied exclusively as residences for 4 families or less. Residential Sales also includes: (1) sales of vacant land, provided the land is zoned for residential use and is not a development project of 4 or more residences and (2) sales 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. Commercial sales and renting, leasing, managing, or appraising residential or commercial property are not Residential Sales.

***If you are a qualifying broker, a claim made against you, your firm for your acts, or your firm for the firm's acts is considered a claim against you for purposes of calculating the endorsement premium. If you are not a qualifying broker, a claim 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	\$ _____
+ Any Optional Endorsement Premium	\$ _____
TOTAL	\$ _____