



**COLORADO REAL ESTATE COMMISSION'S (CREC'S)
GROUP ERRORS & OMISSIONS (E&O) PROGRAM**

Administered by Rice Insurance Services Center (RISC)
A Division of AssuredPartners NL, LLC
Issued by Continental Casualty Company

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 CREC's group real estate E&O insurance program, tailored to exceed state requirements. We are dedicated to providing exceptional real estate E&O insurance services to Colorado real estate licensees.

BASIC POLICY only \$229

Limits of Liability of \$100,000 per claim / \$300,000 aggregate with a \$1,000 damage deductible and no deductible for defense costs.
Increased Limits Available to individual (not firm) licensees.
\$250,000 per claim / \$750,000 aggregate (\$189 additional premium) -or- \$500,000 per claim / \$1,000,000 aggregate (\$309 additional premium).
Firm Excess Policies Available to firms whose licensees are all insured through the group program.
\$1,000,000 limits (written by Continental Casualty Company, subject to underwriting approval. RISC Excess Dept. 1-800-637-7319, Ext. 3.)

AUTOMATICALLY INCLUDED IN BASIC POLICY

First Dollar Defense – Applies WITH NO CONDITIONS to covered 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 limits (defense costs are limited under the limited regulatory complaints and subpoena coverages, which were not covered at all under most traditional E&O policies).

Expanded Definition of Professional Services – In addition to services requiring a Colorado real estate broker license, insured professional services include (1) services performed or advice given (including as a notary public and as a real estate consultant or counselor) in connection with licensed activity, (2) market analyses and valuations for listing a property or guiding a buyer in making an offer, and (3) broker price opinions.

Firm / Team / Franchise Coverage – Real estate firm, team, and franchisor 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 any provider) from the date of the professional services to the date the claim arises. Some carriers may not insure services performed while you were with a different carrier or associated with a different real estate firm.

Spousal / Domestic Partner Coverage – Your spouse or domestic partner considered an insured in certain situations.

Subpoena Coverage – \$5,000 per subpoena & aggregate (attorneys' fees).

Discrimination / Fair Housing Claim Sublimits – \$30,000 per discrimination claim & aggregate (damages with unlimited defense costs); option to increase with Endorsement Bundle.

Escrow / Earnest Money Claim Sublimits – \$10,000 per escrow claim / \$25,000 aggregate (damages with unlimited defense costs).

Lock Box Claim Sublimits – \$100,000 per lock box claim / \$300,000 aggregate (damages with unlimited defense costs).

Primary Residence Sublimits – \$100,000 per primary residence claim (involving the sale or listing for sale of the insured licensee's primary residence, provided the sale or listing is performed under the licensee's real estate license and supervised by the licensee's real estate firm) / \$300,000 aggregate (damages with unlimited defense costs).

Regulatory Complaints Coverage – \$2,500 per regulatory complaint / \$5,000 aggregate (defense costs); option to increase with Endorsement Bundle.

OPTIONAL ENDORSEMENTS AVAILABLE TO INDIVIDUAL (NOT FIRM) LICENSEES

Appraisal (\$140) – Adds insurance for licensed appraisal activity. Eligibility requirements: (1) active Colorado real estate license and (2) active Colorado appraiser license / credential.

Appraiser Trainee (\$140 per appraiser trainee) – For supervising appraisers to add specific appraiser trainees listed in the endorsement as insureds while they are assisting the supervising appraiser in the supervising appraiser's professional services as a Colorado licensed real estate appraiser (must also purchase an appraisal endorsement).

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

Developed / Constructed by Spouse – Sublimits of liability of \$100,000 per developed / constructed by spouse claim / \$300,000 aggregate for claims relating to the sale or listing for sale of residential property constructed or developed by the licensee's spouse (conditions apply).

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Endorsement Bundle (\$15) – Includes the following 5 endorsements:

Environmental – \$10,000 per claim alleging the insured's failure to detect, report, or assess the effects of or advise of the existence of pollutants, fungi, or microbes / \$20,000 aggregate (damages & defense costs, combined).

Residential Personal Interest – Sublimits \$100,000 per residential personal interest claim (involving the sale or listing for sale of residential property owned by the licensee, the licensee's spouse, or a company owned by the licensee under certain conditions) / \$300,000 aggregate.

Increased Discrimination / Fair Housing Sublimits – Increases sublimits to \$50,000 per discrimination claim & aggregate (damages with unlimited defense costs).

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Supplemental Coverage Security Breach Notification – Reimbursement to the real estate firm, regardless of number of licensees involved, up to a maximum \$5,000 for costs incurred to provide required notification to clients of a security breach when information may have been disclosed or used in an unauthorized manner. This is not coverage for personal identity theft risk, which is not a professional liability risk and which is usually offered to individuals by personal insurance policy providers and credit card companies.

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RISK REDUCTION MATERIAL, ONLINE ENROLLMENT, SAMPLE POLICY FORMS, AND ADDITIONAL INFORMATION AVAILABLE ON OUR WEBSITE, WWW.RISCEO.COM. CONTACT US WITH ANY QUESTIONS OR CONCERNS – WE ARE ALWAYS HAPPY TO HELP.

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Please Support Your State Program

\$36.7+ Million in defense costs and damages have been incurred as of August 31, 2022 since RISC began administering the Colorado state group program in 2004. RISC and the carrier share a commitment to their insureds and providing valuable coverage to Colorado licensees. When shopping for insurance coverage, it's important to ask about the company's experience and paid claims in Colorado. If a company is charging a very low amount, you may find the carrier doesn't provide much coverage or pay many claims.

The state group program offers affordable E&O insurance to each and every licensee by spreading the risk over a large number of insureds. Without the group program's low premium, other carriers have no incentive to offer real estate E&O policies at affordable prices. In states without a group program, real estate E&O premiums may cost thousands of dollars and some licensees report being unable to obtain insurance at any price.

Rely on the Most Experienced Provider in the Business

The Rice family and their colleagues have specialized in mandated real estate E&O programs since 1989. We provide group policies in the vast majority of states that have group programs and require licensees to maintain insurance. CNA has 50+ years of experience in E&O programs, including 30+ years in real estate E&O. CNA is the top provider of real estate liability insurance, delivering 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 In-House 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 having a claim does not mean you did anything wrong. Anyone can be involved in a transaction that goes sour. Never think it can't happen to you. And we are here to help you if it does.

Our Website Makes Everything Easier

We are dedicated to exceptional customer service. Our website, www.risceo.com, makes it easy and convenient to enroll in the group policy, learn more about the group program, and find risk reduction information. Take a look at our 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 licensees.

E&O Providers are Not All 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 regulatory complaints and subpoena coverages, which were not covered at all under most traditional E&O policies).

Does the policy insure transactions you do for relatives? Yes. The RISC policy applies to claims involving services performed for your relatives and in-laws. This is important, since buyers and sellers often turn to a trusted relative who is a real estate licensee.

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 only residential property 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 farmland or to risk not having coverage for a claim resulting from the transaction.

Does the policy insure your firm for its vicarious liability for your professional services? Yes. Claims are often made against real estate firms as a result of their licensees' negligence. The group policy applies to covered claims alleging the firm's vicarious liability for negligence of the insured licensee. Some policies for licensees may not provide coverage for the firm's vicarious liability, 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 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:

Thank you for all of the hard work and effort you put in. [We] were both so appreciative of everything you & RISC did to help us – we felt like you were truly in our corner. You never know how good a company is until you really need them – RISC was a shining star. A.G.

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.

[T]hank you for going the extra mile. M.C.

WOW!!!! I am completely blown away by how quickly and efficiently you [provide service]. You and your team are truly the best! T.J.



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NOTICE – If your firm is insured under the CREC's 2022 group program, its insurance expires January 1, 2023. Colorado law requires that all active individual real estate licensees carry and maintain E&O insurance to cover all licensed activities. Actively licensed real estate firms also must carry E&O insurance if they both (1) employ licensees in addition to the responsible broker and (2) are organized as corporations, limited liability companies, or partnerships. Licensed real estate firms that do not employ licensees other than the responsible broker are not required to carry E&O insurance but may opt to do so (the responsible broker must maintain individual E&O insurance). Failure to timely obtain or renew coverage may lead the CREC to inactivate your firm's license. Prospective licensees must obtain insurance before license activation. Licensees may obtain insurance outside of the group program, provided coverage complies with state law and proof of coverage is provided to the CREC 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 Colorado licensees. 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.

FIRM EXCESS POLICIES AVAILABLE – Firm excess policies (written by Continental) with \$1,000,000 limits are available on an underwritten basis. To qualify, all the firm's licensees must participate in the group program. Contact us for an application to obtain a quote.

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

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, 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 firm's individual policy period. If you or your firm has any knowledge of a claim; potential claim; or any act, error, omission, fact, or situation that may give rise to a claim against your firm, it must be reported in writing immediately to your firm's insurance carrier before your firm's 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.

Prior Acts and Importance of Timely Renewal – Your firm's "retroactive date" determines whether there is coverage for services performed before the policy's effective date. The retroactive date is the date from which your firm has continuously maintained uninterrupted 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 your firm had E&O insurance when the services were provided and again when the claim arises. If your firm fails to enroll timely, call RISC immediately to see if your firm qualifies to backdate its individual policy period to January 1, 2023 (subject to approval, \$20 cost if requested more than 60 days after group policy inception). This procedure will not remedy noncompliance with mandatory insurance laws.

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 firm's individual policy period unless an ERP is in place. Claims often arise years after the subject transaction occurred. If your firm is not renewing coverage through the group policy for any reason (e.g., inactivating / retiring its license or switching to another provider), it should consider purchasing a 1, 2, 3, or 5 year ERP endorsement 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 – Licensees domiciled in Colorado 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 Colorado. Licensees not domiciled in Colorado are insured for Colorado transactions only. Out-of-state licensees may be considered domiciled in Colorado if their principal real estate license is affiliated with a real estate office in Colorado and they reside within 50 miles of the Colorado state line. Please see the Territory section of the policy for more information.

Effective Date – Licensees who enroll before January 1, 2023 will have a January 1, 2023 inception date. Licensees who enroll after January 1, 2023 will have an inception date of the day we receive the licensee's *completed enrollment form and premium*. Licensees not enrolled in the current group policy may request a different inception date (after January 1, 2023) for Continental's consideration: _____

Premium / Deductible – All premiums are fully earned at policy inception and no refunds are permitted after that date. If your firm's payment is returned for nonsufficient funds, your firm is responsible for payment of any resulting bank fees or penalties. The deductible will be due in accordance with the policy. Enrollee agrees to reimburse the Company for any and all costs and expenses it incurs by employing a collection agency to collect any overdue deductible.

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FIRM ENROLLMENT FORM

NOTICE

Colorado law requires active licensed real estate companies that (1) employ licensees in addition to the responsible broker and (2) are organized as corporations, limited liability companies, or partnerships to carry E&O insurance. Real estate firms organized as corporations, limited liability companies, or partnerships that do not employ licensees other than the responsible broker are not required to carry E&O insurance but may choose to do so (the responsible broker is required to maintain individual E&O insurance). Real estate firms that are sole proprietorships are not required to carry insurance and are not eligible to enroll in the group policy. Licensees may purchase insurance outside the group program, provided coverage complies with state law and proof of coverage is provided to the CREC as required by state law. Failure to timely obtain or renew coverage may lead the CREC to inactivate your firm's license.

HOW TO ENROLL

ENROLL ONLINE AT WWW.RISCEO.COM and download a certificate of coverage. Visa & MasterCard accepted, \$5 nonrefundable convenience fee applies.

ENROLL BY MAIL 1. Complete firm licensee information, 2. Select desired coverages, and 3. Send completed form (both pages) with a check or money order payable to RISC. Allow 7 – 10 business days to allow us time to process your firm's enrollment and provide proof of coverage to the CREC.

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

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

FIRM LICENSEE INFORMATION – Correct any incorrect information and fill in any blanks. Failure to do so may delay issuance of your firm's coverage and confirmation to the CREC. *This form is for firm licensees only. Individual licensees should use the individual enrollment form.*

| | | |
|--|------------|---|
| Real Estate Firm (as appears on license) | | Firm License No. |
| D/B/A | | Responsible Broker |
| Address | | Secretary of State No. (Search at https://www.sos.state.co.us/) |
| City | State | Zip Code |
| Work Phone | Home Phone | Cell Phone |
| Fax | Email* | <input type="checkbox"/> I want text reminders if / when that option is available. |

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

BASIC POLICY

| | | |
|--|-------|-------------------------------------|
| Annual Premium (January 1, 2023 to January 1, 2024) Limits of Liability – \$100,000 per claim / \$300,000 aggregate Deductible – \$1,000 (damages) | \$229 | <input checked="" type="checkbox"/> |
|--|-------|-------------------------------------|

OPTIONAL ENDORSEMENT

| | | |
|--|------|--|
| <p>Conformity Endorsement: Conforms your firm's insurance under the CO group policy to comply with E&O requirements in other mandated states where your firm has an active real estate license. Eligibility Requirement: your firm must be actually domiciled in CO or treated as domiciled in CO by the policy terms.</p> <p>Please circle applicable state(s): ID IA LA</p> <p>Other State License #: _____ (if more than one conformity state, also identify state)</p> | \$20 | |
|--|------|--|

| | | |
|--|--|----------|
| | BASIC PREMIUM | \$ 229 |
| | + OPTIONAL ENDORSEMENT PREMIUM (IF ANY) | \$ _____ |
| | TOTAL DUE | \$ _____ |

Enrollee has reviewed both pages of this form and understands the information contained herein. Enrollee declares that the above statements are true and that Enrollee has not suppressed or misstated any material facts. Enrollee 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. Enrollee agrees that this enrollment form 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. Enrollee understands and agrees that the completion of this enrollment form does not bind the Company to issue a policy.

| | | | |
|---|--|--------------|--|
| FIRM NAME: | | | |
| SIGNATURE OF PERSON WITH AUTHORITY FOR FIRM: | | | |
| PRINT NAME: | | DATE: | |



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www.risceo.com

Please Support Your State Program

\$36.7+ Million in defense costs and damages have been incurred as of August 31, 2022 since RISC began administering the Colorado state group program in 2004. RISC and the carrier share a commitment to their insureds and providing valuable coverage to Colorado licensees. When shopping for insurance coverage, it's important to ask about the company's experience and paid claims in Colorado. If a company is charging a very low amount, you may find the carrier doesn't provide much coverage or pay many claims.

The state group program offers affordable E&O insurance to each and every licensee by spreading the risk over a large number of insureds. Without the group program's low premium, other carriers have no incentive to offer real estate E&O policies at affordable prices. In states without a group program, real estate E&O premiums may cost thousands of dollars and some licensees report being unable to obtain insurance at any price.

Rely on the Most Experienced Provider in the Business

The Rice family and their colleagues have specialized in mandated real estate E&O programs since 1989. We provide group policies in the vast majority of states that have group programs and require licensees to maintain insurance. CNA has 50+ years of experience in E&O programs, including 30+ years in real estate E&O. CNA is the top provider of real estate liability insurance, delivering 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 In-House 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 having a claim does not mean you did anything wrong. Anyone can be involved in a transaction that goes sour. Never think it can't happen to you. And we are here to help you if it does.

Our Website Makes Everything Easier

We are dedicated to exceptional customer service. Our website, www.risceo.com, makes it easy and convenient to enroll in the group policy, learn more about the group program, and find risk reduction information. Take a look at our 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 licensees.

E&O Providers are Not All 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 regulatory complaints and subpoena coverages, which were not covered at all under most traditional E&O policies).

Does the policy insure transactions you do for relatives? Yes. The RISC policy applies to claims involving services performed for your relatives and in-laws. This is important, since buyers and sellers often turn to a trusted relative who is a real estate licensee.

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 only residential property 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 farmland or to risk not having coverage for a claim resulting from the transaction.

Does the policy insure your firm for its vicarious liability for your professional services? Yes. Claims are often made against real estate firms as a result of their licensees' negligence. The group policy applies to covered claims alleging the firm's vicarious liability for negligence of the insured licensee. Some policies for licensees may not provide coverage for the firm's vicarious liability, 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 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:

Thank you for all of the hard work and effort you put in. [We] were both so appreciative of everything you & RISC did to help us – we felt like you were truly in our corner. You never know how good a company is until you really need them – RISC was a shining star. A.G.

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.

[T]hank you for going the extra mile. M.C.

WOW!!!! I am completely blown away by how quickly and efficiently you [provide service]. You and your team are truly the best! T.J.