

Nebraska Real Estate Licensees' Errors and Omissions Program
OFFICIAL GROUP PROGRAM NOTICE

Underwritten by Continental Casualty Company and Administered by Rice Insurance Services Company, LLC

All active Nebraska real estate licensees must carry and maintain errors and omissions (E&O) insurance to cover all licensed activities under Nebraska law. Rice Insurance Services Company, LLC (RISC) is pleased to continue to provide the Nebraska Real Estate Commission's (the "Commission's") official group program for the January 1, 2014 to January 1, 2015 policy period. RISC has an agreement with Continental Casualty Company, a CNA insurance company, to offer Continental Casualty Company's policy to Nebraska licensees. Licensees may also obtain E&O insurance outside of the group program, provided the coverage complies with state minimum requirements and a certificate of coverage is filed with the Commission. If you are currently insured through the Commission's 2013 group policy, your coverage will expire on January 1, 2014. **If you do not timely obtain the required coverage, the Commission may not renew your license or may place your license on inactive status when your coverage expires.**

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 Nebraska licensees. RISC's experience and excellent claims service, combined with CNA's strong financial performance and ratings (rated "A" by A.M. Best), will ensure a quality program.

Policy Information: The 2014 group policy provides the required limits of liability of \$100,000 per claim, up to \$300,000 in the aggregate per licensee, with a \$1,000 damage deductible. The group policy applies to the insured licensee's professional services as a real estate licensee, property manager, and properly credentialed appraiser. A sample policy and other information are available on our website, www.risceo.com.

INACTIVE licensees are not required to have E&O insurance. However, licensees who are insured through the 2013 group program and are not renewing coverage may be interested in an Optional Extended Reporting Period Endorsement (see below). **NEW** licensees must obtain insurance before their license can be activated. **REAL ESTATE FIRMS** registered with the Nebraska Secretary of State are not required to purchase coverage but may choose to do so.

Enrollment: You may enroll in the group program online at www.risceo.com or by mail by using the enrollment form on the back of this page. **The premium for the one-year policy period is \$140 per Licensee.** Licensees joining the group program after January 1, 2014 may pay a prorated premium and can contact RISC for the proper amount. Please see the section entitled ALWAYS PURCHASE COVERAGE TIMELY below for information on the importance of maintaining continuous coverage. **The premium is fully earned upon inception and no refunds are permitted after that date.**

Exclusions: We suggest all licensees read the entire policy, including Section VI. EXCLUSIONS. A sample policy and other information are available on our website, www.risceo.com, or by calling us at (800) 637-7319 (ext. 1).

Optional Endorsements: Individual (not firm) licensees may purchase the optional endorsements listed below when enrolling online or by mail using the enrollment form (on back) and submitting the applicable endorsement premium.

1. **Conformity Endorsement:** Available to active licensees who are domiciled in Nebraska and have an active real estate license in another state with a group program that requires real estate E&O insurance. Conforms the licensee's coverage through the Nebraska group policy to meet the other state's requirements. This endorsement is also available to real estate firms domiciled in Nebraska and registered with the Nebraska Secretary of State that have an active firm license in a state that requires firm license coverage.
2. **Environmental Endorsement:** Limits of liability of \$5,000 per claim, up to \$10,000 in the aggregate, for damages and claim expenses for covered environmental claims.
3. **Regulatory Complaints Endorsement:** Limits of liability of \$2,500, up to \$5,000 in the aggregate, for claim expenses to defend a covered complaint to a real estate regulatory board or commission.
4. **Increased Limits of Liability Endorsement:** Increases the licensee's limits of liability to \$250,000 per claim, up to \$750,000 in the aggregate, or to \$500,000 per claim, up to \$1,000,000 in the aggregate.

Optional Extended Reporting Period (ERP) Endorsement: The policy only applies to claims made during the individual policy period or an applicable ERP. ERP Endorsements help protect insureds who are not renewing coverage against claims that arise after the policy expires. This is important because many professional liability claims are made years after the underlying transaction occurred. Licensees who were insured through the 2013 group policy and are not renewing coverage for any reason may purchase an ERP endorsement, within 90 days after January 1, 2014, for 3 years (200% of expiring premium, including any applicable endorsement premium) or 5 years (300% of expiring premium, including any applicable endorsement premium). Similarly, licensees who purchase insurance through the 2014 group policy but do not renew coverage for 2015 policy period may purchase, within 90 days after the expiration of the 2014 policy, an ERP endorsement for 3 years (200% of expiring premium, including any applicable endorsement premium) or 5 years (300% of expiring premium, plus any applicable endorsement premium). Please contact us at (800) 637-7319 (ext. 1) for more information.

Claims Made Policy: This is a claims made and reported policy. All claims must be reported timely in accordance with the policy's requirements and failure to do so may jeopardize coverage. A Notice of Claim Form is located on our website, www.risceo.com, or you may call us at (800) 637-7319 (ext. 2) for instructions on reporting a claim. The policy does not provide coverage for claims first made before the beginning or after the end of your individual policy period or any applicable extended reporting period. Nor does the policy provide coverage if, prior to the inception date of the policy, there was a basis to believe any negligent act, error, or omission might reasonably be expected to be the basis of a claim. If you have notice of a claim or potential claim, report it immediately to your current carrier or risk not having coverage for the claim.

Always Purchase Coverage Timely: Failure to maintain continuous E&O insurance violates Nebraska law and may cause the Commission to not renew your license or to place it on inactive status. **Additionally, you may lose a valuable feature of the group program, prior acts coverage.** Your retroactive date determines if you have coverage for acts that occurred prior to your enrollment date. Your retroactive date is the date you first obtained, and since which have continuously maintained, E&O coverage, with no gaps. Even a one-day gap will preclude coverage for professional services performed before and through the last day of the gap, even if insurance was in place when the professional services were performed and again when the claim arises. If you failed to purchase coverage timely, call RISC immediately to see if you qualify to backdate your effective date to the inception of the group policy period, which may avoid a gap in coverage and loss of your retroactive date. However, curing a gap in coverage will not correct failure to comply with state mandatory insurance laws, which may result in penalties and fines.

Risk Reduction Information: Check our website, www.risceo.com, throughout the policy period for risk reduction articles and videos.

**2014 Nebraska Real Estate Licensees' Errors and Omissions Program
INDIVIDUAL LICENSEE ENROLLMENT FORM**

You may enroll online with a Visa or MasterCard at www.risceo.com. To enroll by mail, complete this form and send it with the applicable premium payment (by check or money order payable to RISC) to RISC at either address below **by November 15, 2013**, to ensure adequate time for processing.

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

or RISC, 4211 Norbourne Blvd., Louisville, KY 40207-4048

Please complete the information below (print or type). Incomplete information may cause a delay in the issuance of your coverage. We will verify coverage with the Nebraska Real Estate Commission. However, it is your responsibility to provide verification to other commissions and entities. If you have any questions or would like additional information, visit our website, www.risceo.com, or call us at (800) 637-7319, ext 1.

Name: _____
Firm: _____
Address: _____
City, State, Zip: _____

NREC License # (required): _____
Email: _____
Telephone # (work): () - _____
Telephone # (home/cell): () - _____
Fax #: _____
Social Security # (optional): _____
Appraisal Credential #: _____
(Insurance applies to appraisal activity if properly credentialed by the Nebraska Real Property Appraisal board)

	Unit Price	Amount Due
Premium (January 1, 2014 to January 1, 2015)	\$140	\$140
OPTIONAL ENDORSEMENTS		
Conformity Endorsement: If you have an active real estate license in another state that has a group policy and requires E&O insurance, this endorsement conforms your NE policy to meet the other state's requirements. The states with group policies that require real estate E&O insurance are below. To qualify for this endorsement, you must be actually domiciled in NE or considered to be domiciled in NE under the policy terms. If you are licensed in and need proof of E&O coverage for any of these states, circle the appropriate state(s) below: <p align="center">CO ID IA KY LA MS ND NM TN* RI SD WY</p> Other State(s) License Type: _____ Other State(s) License No.: _____ <i>*Due to TN regulations, not all licensees are eligible for a TN conformity. Please contact us for additional information.</i>	\$15	(Regardless of the number of states at time of issuance)
Environmental Endorsement: \$5,000 per claim / \$10,000 aggregate for damages and claim expenses	\$15	
Limited Claims Expenses Real Estate Regulatory Complaints Endorsement: \$2,500 per claim / \$5,000 aggregate for claim expenses only	\$15	
Increased Limits of \$250,000 per claim/\$750,000 aggregate*: See below for instructions on selecting premium (a) or premium (b).	(a) \$76 or (b) \$114	
Increased Limits of \$500,000 per claim/\$1,000,000 aggregate*: See below for instructions on selecting premium (a) or premium (b).	(a) \$133 or (b) \$181	
*You may purchase either of the above Increased Limits Endorsements, but not both.		
Premium (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 or Premium (b) Less than 75%* of your real estate activity income is earned from Residential Sales** or you have had one or more claims*** in the past 5 years *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 designated 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 designated 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.		
Total (\$140 Premium + Any Endorsement Premium)		\$ _____

*****PLEASE SIGN BELOW*****

If you have any knowledge of any claim or any act, error, omission, fact, or situation that might give rise to a claim, it must be reported in writing immediately to your insurance carrier before your current policy period expires.

Applicant declares that the above statements and particulars are true and that Applicant has not suppressed or misstated any material facts, and 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 basis.

Applicant understands and agrees that the completion of this application does not bind the Company to issuance of a policy. Coverage will be effective no sooner than the later of January 1, 2014 or the day after the postmarked date of the *completed application*. Please indicate if another coverage date is requested: _____ (Only needed if requesting a date other than the group policy inception date or the date you are submitting this form with the applicable premium.)

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 understands that 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 will be responsible for payment of any resulting fees or penalties assessed by the bank. Applicant hereby agrees to reimburse the Company for any and all costs and expenses the Company may incur by employing a collection agency to collect any overdue deductible. The deductible is due at the time damages are paid.

SIGNATURE: _____

DATE: _____