

2009 Idaho Real Estate Commission Group Errors and Omissions Program Optional Coverages Available

INCREASED LIMITS OF LIABILITY \$250K/\$500K AMENDATORY ENDORSEMENT

In consideration of the additional premium paid, it is agreed that only as respects the **Licensee** named below, items 3.a. and 3.b. of the Declarations are deleted in their entirety and replaced by the following:

Item 3a \$250,000 per **Licensee** per **Claim**

Item 3b \$500,000 Aggregate per **Licensee**

Licensee: _____

All other terms and conditions of the Policy remain unchanged.

GSL14408XX (7-09)

INCREASED LIMITS OF LIABILITY 500K/\$1M AMENDATORY ENDORSEMENT

In consideration of the additional premium paid, it is agreed that only as respects the **Licensee** named below, items 3.a. and 3.b. of the Declarations are deleted in their entirety and replaced by the following:

Item 3a \$500,000 per **Licensee** per **Claim**

Item 3b \$1,000,000 Aggregate per **Licensee**

Licensee: _____

All other terms and conditions of the Policy remain unchanged.

GSL14407XX (7-09)

APPRAISAL ENDORSEMENT

In consideration of the additional premium paid to the Company for this Endorsement, it is understood and agreed that the following amendments are made to the policy:

1. Section VI. Exclusions, Item W. is deleted in its entirety.
2. Section VIII. Definitions, Item M. **Professional Services** is deleted and replaced with the following:
 - M. **Professional Services** means services performed by the **Licensee** as a real estate broker or real estate salesperson as defined in the Idaho Real Estate License Law for which the **Licensee** is required to have a real estate license. It also means services performed by the **Licensee** as a licensed real estate appraiser.

All other provisions of the Policy remain unchanged.

GSL3007A11 (Ed. 7/04)

CONFORMITY ENDORSEMENT

In consideration of the additional premium paid to the Company for this Endorsement, it is understood and agreed as follows:

The terms and conditions of coverage herein shall be altered to conform to the minimum requirements established for real estate errors and omissions insurance by the State(s) listed below which have mandatory errors and omissions requirements, provided that: (1) the **Licensee** holds a current real estate license in the State(s) listed below; and (2) the negligent acts, errors or omissions arise out of the rendering of **Professional Services** in the State(s) listed below.

Applies to following State(s):

All other provisions of the policy remain unchanged.

GSL3003 (Ed. 7/04)

**LIMITED CLAIM EXPENSES COVERAGE
REAL ESTATE REGULATORY COMPLAINTS ENDORSEMENT**

In consideration of the additional premium paid to the Company, it is understood and agreed that Section IV., Supplementary Payments is amended by the addition of the following new paragraph:

The Company will pay a maximum of \$2,500 with respect to all **Claim Expenses** incurred in the handling of a complaint to a real estate regulatory board or commission as long as the complaint arises from an act, error or omission that would otherwise be covered by the policy. The Company, however, shall not pay any **Damages** arising from such complaints. The maximum amount payable during the **Individual Policy Period** for **Claim Expenses** pursuant to this Endorsement shall not exceed \$5,000 even if such complaint spans more than one **Individual Policy Period**.

All other provisions of the policy remain unchanged.

G3005 (Ed. 7/04)

**LIMITED CLAIM EXPENSES COVERAGE
EARNEST MONEY DISPUTE ENDORSEMENT**

In consideration of the additional premium paid to the Company, it is understood and agreed that Section VI., Exclusions, exclusions C. and M. are amended by the addition of the following new paragraph:

Notwithstanding the foregoing, and solely as respects a **Claim** alleging, arising from or related to the **Insured's** failure to pay, collect or return escrow monies or earnest money deposits, the Company will pay up to a maximum of \$2,500 per **Claim** for **Claim Expenses** only, provided that:

- (i) such **Insured** has met the requirements of the Idaho Real Estate License Law governing client funds; and
- (ii) no fraudulent, dishonest, criminal or malicious act was committed by the **Insured**.

The maximum amount payable during the **Individual Policy Period** for **Claim Expenses** shall not exceed \$5,000 under this Endorsement, regardless of the number of **Insureds** or the number of such **Claims**.

All other terms and conditions of the Policy remain unchanged.

GSL14406ID (7-09)

FAIR HOUSING 10K ENDORSEMENT

In consideration of the additional premium paid to the Company, it is understood and agreed that the Limited Claims Expenses Coverage Fair Housing Endorsement is deleted in its entirety. The following new paragraph is added to Section VI., Exclusion I:

However, the Company will pay **Damages** and **Claim Expenses** up to, but not exceeding, \$10,000 for any one **Claim** alleging the **Insured** violated Title VII of the Civil Rights Act of 1968 or the Fair Housing Amendments Act of 1988. The maximum amount payable pursuant to this Endorsement for **Damages** and **Claim Expenses** by reason of all such **Claims** first made against the **Insured** and reported to the Company during the **Individual Policy Period** shall not exceed \$10,000.

All other terms and conditions of the Policy remain unchanged.

GSL14403XX (7-09)

FAIR HOUSING 25K ENDORSEMENT

In consideration of the additional premium paid to the Company, it is understood and agreed that the Limited Claims Expenses Coverage Fair Housing Endorsement is deleted in its entirety. The following new paragraph is added to Section VI, Exclusion I:

However, the Company will pay **Damages** and **Claim Expenses** up to, but not exceeding, \$25,000 for any one **Claim** alleging the **Insured** violated Title VII of the Civil Rights Act of 1968 or the Fair Housing Amendments Act of 1988. The maximum amount payable pursuant to this Endorsement for **Damages** and **Claim Expenses** by reason of all such **Claims** first made against the **Insured** and reported to the Company during the **Individual Policy Period** shall not exceed \$25,000.

All other terms and conditions of the Policy remain unchanged.

GSL14401XX (7-09)

LIMITED CLAIM EXPENSES COVERAGE ENVIRONMENTAL ENDORSEMENT

In consideration of the additional premium paid to the Company, it is understood and agreed that Section VI., Exclusions P and Q are amended by the addition of the following new paragraph:

Notwithstanding anything to the contrary, the Company will pay **Claim Expenses** up to, but not exceeding, \$2,500 for any one **Claim** alleging the **Insured's** failure to detect, report or assess the effects of or advise of the existence of pollutants, **Fungi** or **Microbes**. The Company will not pay any **Damages** related to said **Claim**. The maximum amount payable pursuant to this Endorsement for **Claim Expenses** by reason of all **Claims** first made against the **Insured** and reported to the Company during the **Individual Policy Period** shall not exceed \$5,000.

All other provisions of the policy remain unchanged.

GSL-3002 (Ed. 7/04)

ENVIRONMENTAL ENDORSEMENT

In consideration of the additional premium paid to the Company, it is understood and agreed that the following amendments are made to the policy:

1. Section VI, Exclusion P is amended by the addition of the following new paragraph:

Notwithstanding the foregoing, the Company will pay **Damages and Claims Expenses** up to, but not exceeding, \$10,000 for any one **Claim** alleging the **Insured's** failure to detect, report or assess the effects of or advise of the existence of pollutants. The maximum amount payable pursuant to this Endorsement for **Damages and Claim Expenses** by reason of all such **Claims** first made against the **Insured** and reported to the Company during the **Individual Policy Period** shall not exceed \$10,000.

2. Section VI, Exclusion Q is amended by the addition of the following new paragraph:

Notwithstanding the foregoing, the Company will pay **Damages and Claims Expenses** up to, but not exceeding, \$10,000 for any one **Claim** alleging the **Insured's** failure to detect, report or assess the effects of or advise of the existence of **Fungi** or **Microbes**. The maximum amount payable pursuant to this Endorsement for **Damages and Claim Expenses** by reason of all such **Claims** first made against the **Insured** and reported to the Company during the **Individual Policy Period** shall not exceed \$10,000.

All other terms and conditions of the Policy remain unchanged.

GSL14405XX (7-09)

FRANCHISE ENDORSEMENT

In consideration of the additional premium paid to the Company, it is understood and agreed as follows:

In the event that the **Licensee** is affiliated with _____, then _____ meets the definition of a **Real Estate Firm** under Section VIII., Definitions, Item N. of the policy and therefore is covered under the definition of **Insured**, under Section VIII., Definitions, Item G.4.

All other provisions of the policy remain unchanged.

GSL3006 (Ed. 7/04)

LEASING AND PROPERTY MANAGEMENT ENDORSEMENT

In consideration of the additional premium paid to the Company, it is understood and agreed that the following amendments are made to the Policy:

A. Section VI. Exclusions, Item X. is deleted in its entirety.

B. Section VIII. Definitions is amended as follows:

1. Item M. **Professional Services** is deleted in its entirety and replaced by the following:

M. **Professional Services** means services performed by the **Licensee** as a real estate broker or salesperson as defined in the Idaho Real Estate License Law and for which the **Licensee** is required to have a real estate license. **Professional Services** also mean **Leasing and Property Management Services** performed by the **Licensee**.

2. The following new definitions are added:

R. **Leasing and Property Management Services** are the following services provided in connection with the management of commercial or residential property:

- A. development and implementation of management plans and budget;
- B. oversight of physical maintenance of property;
- C. solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
- D. development, implementation and management of loss control and risk management plans for real property;
- E. solicitation and negotiation of contracts for sale and leasing of real property;
- F. development, implementation and management of contracts and subcontracts (excluding property and liability insurance contracts) necessary to the daily functioning of the property;
- G. personnel administration;
- H. record keeping.

Leasing and Property Management Services does not include **Renovation Services** or analysis or evaluations of, or recommendations concerning, environmental hazards or exposures.

Renovation Services are the following services provided in connection with the renovation and reconstruction of commercial or residential property:

- A. management of facility renovation and reconstruction plans;
- B. development and management of renovation and reconstruction contracts and subcontracts;
- C. development of loss control and risk management plans in connection with the reconstruction or renovation.

C. Section VI. Exclusions, is amended by the addition of the following new exclusions:

1. the commingling, misappropriation or improper use of funds, or arising out of the gaining of any personal profit or advantage to which the **Insured** is not legally entitled;
2. **Leasing and Property Management Services** in which any **Insured** or any company affiliated with any **Insured** was a developer, constructor or builder;
3. the failure to effect or maintain any insurance or bond, or to the failure to cover certain perils or to purchase an adequate amount or type of insurance;
4. any advice as to the future value of property;
5. the transfer or failure to transfer funds, monies or securities;
6. the formation, syndication, promotion, roll-up, operation or administration of any property syndication, real estate investment trust or any other form of corporation, general or limited partnership or joint venture;
7. any tax advice rendered by any **Insured**;
8. any **Insured** making warranties or guarantees as to the future value of any property.

All other provisions of the policy remain unchanged.

GSL3008A11 (Ed. 7/04)

OPTIONAL EXTENDED REPORTING PERIOD ENDORSEMENT

It is hereby understood and agreed that this policy is terminated with respect to **Claims** made on or after _____ (hereafter called the termination date). It is further agreed and understood that the Optional Extended Reporting Period provided under this Endorsement will begin on the termination date listed above and end on _____ (hereafter called the extension period).

In consideration of the **Licensee's** payment to the Company of the Premium of \$_____, this policy shall apply to **Claims** first made against the **Insured** and reported to the Company during the extension period and arising from negligent acts, errors or omissions committed or alleged to have been committed after the **Licensee's Retroactive Date** and prior to the termination date. The Limits of Liability shown on the Declarations are not increased by this Optional Extended Reporting Period Endorsement. The Limits of Liability for any Extended Reporting Period shall be a part of, and not in addition to, the Limits of Liability listed on the Declarations.

This Endorsement, once issued, cannot be canceled.

The premium for the Optional Extended Reporting Period Endorsement will be fully earned and is determined as shown below:

<u>Optional Extended Reporting Period Term</u>	<u>premium</u>
One Year	100%
Two Years	150%
Three Years	200%

All other provisions of the policy remain unchanged.

GSL3009 (Ed. 7/04)

PRIMARY RESIDENCE COVERAGE ENDORSEMENT

In consideration of premium paid, it is agreed that Section VI. Exclusion J. is deleted in its entirety and replaced with the following:

Professional Services relating to property:

1. developed or constructed by, or
 2. more than 10% owned by, or
 3. purchased or attempted to be purchased by an **Insured** or by the spouse of an **Insured** or by any entity, corporation, partnership or trust in which the **Insured** or spouse of an **Insured** owns or controls more than 10% financial interest;
- however, this exclusion does not apply to:

- (a) any **Claim** arising from the sale of property acquired by the **Insured** pursuant to a guaranteed sale listing contract. The guaranteed sale listing contract must be a written agreement between the **Insured** and the seller of a property in which the **Insured** agrees to purchase the property if it is not sold under the listing agreement in a specified time. For coverage to apply, the **Insured** must hold title to the property for less than one (1) year and must continually offer it for sale; or
- (b) an **Insured** who:
 - (i) does not have and whose spouse does not have more than 10% ownership or financial interest in the property; and
 - (ii) is not and whose spouse is not an attempted purchaser, purchaser, builder, or developer of the property; and
 - (iii) does not own or control and whose spouse does not own or control more than 10% financial interest in an entity, corporation, partnership or trust which has more than 10% ownership interest in the property or which was an attempted purchaser, purchaser, builder, or developer of the property;

and provided that the **Claim** would otherwise be covered by the policy.

- (c) any **Claim** arising from the sale or listing of property which is the **licensee's primary residence**, provided that the following conditions are met in connection with the sale:
 - 1.) A written home inspection was ordered and a copy provided to the buyer prior to closing;
 - 2.) A seller disclosure form was signed by the **licensee** and acknowledged by the buyer prior to closing;
 - 3.) The **licensee's** ownership interest was disclosed and acknowledged by the buyer prior to closing;
 - 4.) A state or local board approved sales contract was used; and
 - 5.) The sale or listing is performed under and subject to the real estate license laws of Idaho.

It is further agreed that section VIII is amended by the addition of the following new definition:

Primary Residence means a residential property of two or fewer units which serves as the principal residence of the **licensee**.

All other terms and conditions of the Policy remain unchanged.