

# Louisiana Real Estate Errors and Omissions Program

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

## NOTICE

Each real estate Licensee who is actively licensed in Louisiana shall, as a condition of licensing, carry and maintain errors and omissions insurance to cover all licensed activities. Each Licensee has the option of obtaining errors and omissions insurance independently, so long as the coverage complies with the minimum requirements established by the Louisiana Real Estate Commission (the Commission) and the Licensee obtains a "Certificate of Coverage" signed by an authorized agent or employee of the insurance carrier (which shall be filed with the Commission in compliance with LA R.S. §1466). If you currently have coverage with the Commission's group policy, your coverage will expire on January 1, 2010. If coverage under the policy is not renewed timely or the Licensee has not obtained the required coverage from another qualified insurance provider, the Commission will place the license on inactive status on the date of termination of insurance coverage.

In order to maintain a superior program for the Commission's official group program, Rice Insurance Services Company, LLC (RISC) has an agreement with Continental Casualty Company, one of the CNA insurance companies, to provide its policy for the Louisiana Licensees. RISC's experience and excellent claims service (specializing in real estate E&O) combined with CNA's strong financial performance and ratings (rated "A" by A.M. Best) will provide a quality program for Louisiana Licensees. If you wish to participate in the group program, the one-year premium of \$184 per Licensee for the group program is now due. Payment must accompany your license application or renewal and be submitted directly to the Commission.

The group program provides the required limits of \$100,000/ \$300,000 per Licensee with \$1,000 deductible for Damages and no deductible for Claim Expenses. **ACTIVE** Licensees (including licensed firms) are **REQUIRED** to carry E&O insurance. **INACTIVE** Licensees are not required to have E&O insurance. However, Licensees with expiring policies who are placing their licenses on inactive status may want to purchase an Optional Extended Reporting Period Endorsement (see below). Before activation of a license, a Licensee is required to obtain insurance coverage. Please contact your broker to verify that your company participates in the group plan before sending in your premium. The premium is fully earned and the policy does not permit refunds after the policy's inception date.

**Exclusions:** All policyholders are urged to read the entire policy and examine the portion of the policy entitled "Exclusions" for a listing of excluded claims. A copy is available on our website [www.risceo.com](http://www.risceo.com) or you may call our administrative office at (800) 637-7319, ext 1.

**Higher Limits Available:** Limits of \$250,000 per Claim per Insured Licensee, with a \$750,000 Annual Aggregate limit, are available to individual Licensees. Individual Licensees whose real estate activity is at least 75% residential sales and who have had no claims in the past five (5) years may pay an additional premium of \$100 to increase limits to \$250,000. Individual Licensees whose real estate activity is less than 75% residential sales and/or who have had claims in the past five (5) years may pay an additional \$150 to increase limits to \$250,000. **Payment for higher limits must be made directly to RISC (not the Commission).** In addition, we offer a firm "excess" policy with limits at levels of \$250,000, \$500,000 or \$1,000,000. Information about higher limits for the firm is being sent to your principal broker.

**Optional Coverages Available:** Conformity Endorsement, Appraisal Endorsement\*, Limited Claim Expenses Coverage Environmental Endorsement (Pollution, Microbes or Fungi), and Limited Claim Expenses Coverage Real Estate Regulatory Complaints Endorsement. To obtain optional endorsement(s), please indicate your selection(s) on the enrollment form (on back) and enclose the appropriate fee. These optional coverages are **not** available for firm license coverage. **Note all payments for optional coverages must be mailed and made payable to RISC (not the Commission).**

### **\*NOTICE – APPRAISAL COVERAGE EXCLUDED:**

Effective January 1, 2008, appraisal activity was no longer covered automatically under the Commission's group Errors and Omissions insurance policy. The 2008, 2009 and 2010 group policy forms exclude coverage for appraisal activity. However, real estate licensees who are also licensed appraisers may purchase an optional coverage endorsement from the group provider to cover appraisal activity (see reverse side). Only active real estate licensees are eligible to purchase coverage under the Commission's group program. Individuals who are licensed as appraisers or appraiser trainees but do not have a real estate license should obtain coverage for their professional services as an appraiser; however, these individuals are not eligible to purchase coverage pursuant to the Commission's group policy. Rice Insurance Services Company, LLC does not sell coverage for licensed appraisers who are not real estate licensees. Please contact our office at (800) 637-7319, ext. 1, or visit our website [www.risceo.com](http://www.risceo.com) to obtain additional information regarding the appraisal endorsement.

**Optional Extended Reporting Period (ERP) Endorsement** is available for licensees who are currently insured with the Commission's 2009 group policy through RISC and who have placed their license on inactive status or otherwise have not renewed their coverage. If a licensee retires, places his/her license on inactive status or allows his/her license to expire, the 2009 group policy provides the Licensee will be insured for claims made and reported within 90 days of the expiration date provided the error or omission upon which the claim is based took place after the "Retroactive Date" and before the policy expired. In case of cancellation or non-renewal of the policy for any reason, the Insured has the option to purchase an ERP endorsement within 90 days after the Licensee's policy has terminated. An ERP Endorsement is important because many professional liability claims are not made until months after the underlying transaction occurred. Insured Licensees with coverage expiring January 1, 2010 may obtain an ERP endorsement for one year (\$184 plus any applicable endorsement premium), for two years (\$276.50 plus any applicable endorsement premium) or three years (\$368 plus any applicable endorsement premium). Please contact us at (800) 637-7319, ext.1, if you would like to obtain this coverage or visit our website at [www.risceo.com](http://www.risceo.com).

**Claims Made Policy Form:** The policy is written on a claims made policy form. All claims must be reported timely or you may violate the conditions of the policy and jeopardize coverage. A copy of the Notice of Claim Form is located on our website [www.risceo.com](http://www.risceo.com). You may call our Claims Department at (800) 637-7319, ext. 2, for instructions for reporting a claim. This policy does not provide coverage for a claim first made against you before the beginning or after the end of your individual policy period (unless an extended reporting period applies). It also does not provide coverage if, prior to the inception date of the policy, you had a basis to believe that any negligent act, error or omission might reasonably be expected to be the basis of a claim against you. If you have notice of a potential claim, report it to your current carrier immediately or risk not having coverage for the claim.

**Timely Renewal.** Louisiana requires that all active real estate licensees carry and maintain errors and omissions insurance. If you do not pay your premium timely, **the Commission WILL place your license on inactive status.** In addition, you may lose a valuable feature of the group program - **prior acts coverage** - if you do not renew your coverage promptly. Prior acts coverage is determined by your retroactive date. A claim involving your past acts may be considered for coverage so long as the error, omission or negligent act took place after your retroactive date. Your retroactive date is the date you first obtained errors and omission coverage and have maintained continuous coverage. It is very important that you maintain continuous coverage in order to preserve your retroactive date. Licensees who do not renew their coverage timely may lose any previously established retroactive date. Those licensees will have as an effective date the actual date the Commission receives and accepts the premium. Endorsements will be effective on the date RISC receives the endorsement premium. If you discover that you have missed timely renewal, call RISC immediately and see if you qualify for reinstatement of your coverage back to the inception of the policy period. This will avoid a break in coverage and loss of your retroactive date. However, this procedure does not impact the licensee's failure to comply with the mandatory insurance guidelines established by the Commission and you may still be subject to penalties and fines. **Always pay your premium on time to avoid a break in coverage, protect yourself from uncovered claims and avoid penalties and fines.**

# 2010 Individual Louisiana Supplementary Enrollment Form

## Use This Form for Optional Coverage Endorsements and Higher Limits Only

**(DO NOT Send This Enrollment Form with Basic Premium Payment to the Commission with Your License Renewal)**

*Please note that Certificates of Coverage and Optional Endorsements will be mailed after verification of payment has been received from the Commission.*

**Please complete the information below. PLEASE PRINT OR TYPE. Incomplete information may cause a delay in the issuance of your coverage.**

If you have any questions or would like additional information on optional coverages, please visit our website [www.risceo.com](http://www.risceo.com) or call us at (800) 637-7319, ext 1.

Name:	License #:
Firm:	Email:
Address:	Telephone #: (     )     -     (w)
	Telephone #: (     )     -     (h)
City, State, Zip:	Fax #: (     )     -
	SS#:     -     - <span style="float: right; font-size: small;">(please include at least last 4 digits)</span>

<u>Payment Type</u>	<u>Unit Price</u>	<u>Amount Due</u>																								
<b>OPTIONAL COVERAGES BELOW:</b> Please note that the optional coverages are not available for Firm Licensees (other than conformity for mandated states).		<b>Optional amounts below are paid directly to RISC</b>																								
<b>Conformity:</b> Residence State _____ Circle all <b>other mandated states</b> where you are licensed and need proof of E&O coverage. This extension does <u>not</u> apply if you are a non-resident of Louisiana. <b>Please circle applicable state(s) below:</b> <b>CO IA ID KY MS ND NE NM RI SD WY *</b> <small>*TN conformity is no longer available to some licensees due to recent changes in TN regulations. Please contact RISC for details about obtaining coverage for your TN license.</small>	<b>\$20</b>  (Regardless of the number of states at the time of issuance.)																									
<b>Limited Claim Expenses Coverage Environmental Endorsement – Pollution</b>	<b>\$20</b>																									
<b>Limited Claim Expenses Coverage Environmental Endorsement – Microbes</b>	<b>\$20</b>																									
<b>Limited Claim Expenses Coverage Environmental Endorsement – Fungi</b>	<b>\$20</b>																									
<b>Limited Claim Expenses Coverage Real Estate Regulatory Complaints Endorsement</b>	<b>\$20</b>																									
<b>Appraisal Endorsement (only applies for active real estate licensees)</b> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td>JANUARY</td><td>\$200</td><td>MAY</td><td>\$133</td><td>SEPTEMBER</td><td>\$67</td> </tr> <tr> <td>FEBRUARY</td><td>\$183</td><td>JUNE</td><td>\$117</td><td>OCTOBER</td><td>\$50</td> </tr> <tr> <td>MARCH</td><td>\$167</td><td>JULY</td><td>\$100</td><td>NOVEMBER</td><td>\$33</td> </tr> <tr> <td>APRIL</td><td>\$150</td><td>AUGUST</td><td>\$83</td><td>DECEMBER</td><td>\$17</td> </tr> </table>	JANUARY	\$200	MAY	\$133	SEPTEMBER	\$67	FEBRUARY	\$183	JUNE	\$117	OCTOBER	\$50	MARCH	\$167	JULY	\$100	NOVEMBER	\$33	APRIL	\$150	AUGUST	\$83	DECEMBER	\$17	<b>Select prorated amount according to month of purchase</b>	
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<b>Higher Limits \$250,000 Per Claim /\$750,000 Aggregate</b> (a) At least 75% residential sales* and no claims in past 5 years; or (b) Less than 75% residential sales* and/or claims in past 5 years <small>*Residential Sales means sales of properties of four families or less zoned for and occupied exclusively as residences. Vacant land sales shall be considered residential sales, provided the land is zoned for residential use and is not a development project of four or more homes. Sales that involve farm property where a buyer would derive no more than 25% of total income from farming and where it is a buyer's principal residence are considered residential sales. Residential sales does not include rental, leasing, appraisal or other non-sales activity involving residential property.</small>	<b>(a) \$100; or (b) \$150</b>																									
<b>Total (add premium for any optional coverages or higher limits)</b>		\$ _____																								

We receive verification of premium payment for the group program from the Louisiana Real Estate Commission. However, it is your responsibility to provide verification to other commissions and entities. Note all premiums are fully earned at the inception date. After the effective date, no refunds are permitted. Please allow at least ten (10) business days for processing. If you have any questions or would like additional information regarding the group program and/ or optional coverages, please visit our website at [www.risceo.com](http://www.risceo.com) or call us at (800) 637-7319, ext 1.

Please make your check or money order for Optional Coverages or Higher Limits payable to: **RISC**  
 (We are currently unable to accept check-by-phone, credit card, or online payments.)  
**All premium payments for Optional Coverages or Higher Limits must be mailed to RISC:**  
**Mailing Address: PO Box 6709, Louisville, KY 40206-0709**  
**Overnight Deliveries: 4211 Norbourne Blvd., Louisville, KY 40207-4048**

Please submit your basic E&O Premium for the group program directly to the Louisiana Real Estate Commission with your License renewal to the following address: Louisiana Real Estate Commission, P.O. Box 14785, Baton Rouge, LA 70898-4785