



CONTINENTAL CASUALTY COMPANY

(A stock insurance company, hereinafter called the "Company")

Administrative Office:

P.O. Box 6709

Louisville, Kentucky 40206-0709

(502) 897-1876

(800) 637-7319

MORTGAGE LOAN ORIGINATOR ERRORS AND OMISSIONS

DECLARATIONS

THIS IS A CLAIMS-MADE-AND-REPORTED POLICY. PLEASE READ THIS POLICY CAREFULLY.

NOTICE: THIS IS A CLAIMS-MADE-AND-REPORTED POLICY. EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN THIS COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE **CLAIMS** THAT ARE FIRST MADE AGAINST THE **INSURED** AND REPORTED TO THE COMPANY WHILE THE POLICY IS IN FORCE.

Policy Number: 25 ML 0008CO

ITEM 1. POLICYHOLDER: The Colorado Department of Regulatory Agencies – Division of Real Estate on behalf of its licensees who hold an active mortgage loan originator license under the Colorado Real Estate License Act and who have paid the required premium 1560 Broadway, Suite 110, Denver, CO 80202

ITEM 2. GROUP POLICY PERIOD: From January 1, 2025 to January 1, 2026 (12:01 A.M. Standard Time at the Address stated in Item 1)

ITEM 3. LIMITS OF LIABILITY:
(a) \$100,000 **Damages** and **Claim Expenses** per **Mortgage Loan Originator** per **Claim**
(b) \$300,000 **Damages** and **Claim Expenses** Aggregate per **Mortgage Loan Originator**
(c) \$25,000 **Claim Expenses** per **Mortgage Loan Originator** per **Claim** and Aggregate

ITEM 4. DEDUCTIBLES:
DAMAGES: \$1,000 each **Claim**
CLAIM EXPENSES: \$0 each **Claim**

ITEM 5. PREMIUM: \$390 per year per **Mortgage Loan Originator**

ITEM 6. RETROACTIVE DATE: As determined for each **Insured** according to the policy. This insurance does not apply to any **Claim** made against the **Insured** based upon, arising out of, or attributable to any negligent act, error, or omission committed or alleged to have been committed prior to the **Retroactive Date** listed above.

ITEM 7. OPTIONAL EXTENDED REPORTING ADDITIONAL PREMIUM: One year is 100% expiring premium (\$390 plus any applicable endorsement premium); two years is 150% expiring premium (\$585 plus any applicable endorsement premium); three years is 200% expiring premium (\$780 plus any applicable endorsement premium); five years is 300% expiring premium (\$1,170 plus any applicable endorsement premium).

The Declarations and the forms listed and attached hereto, together with the completed and signed application shall constitute the contract between the **Insured** and the Company.

Authorized Representative

1/1/2025

Date

MORTGAGE LOAN ORIGINATOR ERRORS AND OMISSIONS POLICY

NOTICE

THIS INSURANCE IS WRITTEN ON A CLAIMS-MADE-AND-REPORTED BASIS. EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, COVERAGE UNDER THIS MASTER POLICY IS LIMITED TO LIABILITY ONLY FOR THOSE **CLAIMS** THAT ARE FIRST MADE AGAINST THE **INSURED** AND REPORTED TO THE COMPANY DURING THE **INDIVIDUAL POLICY PERIOD** OR ANY APPLICABLE EXTENDED REPORTING PERIOD. NO COVERAGE EXISTS FOR **CLAIMS** FIRST MADE AGAINST THE **INSURED** BEFORE THE BEGINNING OR AFTER THE END OF THE **INDIVIDUAL POLICY PERIOD**. PLEASE REVIEW THIS MASTER POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

PAYMENT OF **CLAIM EXPENSES** REDUCES AND MAY EXHAUST THE COVERAGE LIMITS.

INSURING AGREEMENT

I. COVERAGE

The Company will pay on behalf of the **Insured Damages** in excess of the Deductible that the **Insured** becomes legally obligated to pay as a result or by reason of a **Claim**, so long as the **Claim** is first made against the **Insured** during the **Individual Policy Period** and reported to the Company in writing during the **Individual Policy Period**, unless an Extended Reporting Period applies, provided that:

- A. the negligent act, error, or omission giving rise to the **Claim** was committed or alleged to have been committed after the **Retroactive Date**; and
- B. prior to the inception date of the **Individual Policy Period**, no **Insured** had a basis to believe that any such negligent act, error, or omission or **Related Negligent Act, Error, or Omission** might reasonably be expected to be the basis of a **Claim** against the **Insured**.

The Company has the right and duty to defend the **Insured** against any **Claim** seeking **Damages** covered by this policy until the applicable Limits of Liability are exhausted. The Company has the right to select counsel; investigate the circumstances of the **Claim**; and pay judgments, settlements, and **Claim Expenses** as the Company deems necessary. In the event a **Claim** is subject to arbitration or mediation, the Company is entitled to exercise all of the **Insured's** rights in the choice of arbitrators or mediators and in the conduct of any arbitration or mediation proceeding. The Company has no duty to defend any **Claim** not covered by this policy.

The Company will not settle any **Claim** without the consent of the **Insured**, which consent shall not be unreasonably withheld. If the Company recommends a settlement to the **Insured** which is agreeable to the claimant and the **Insured** does not agree to settle, the Company's Limits of Liability are reduced to the total amount for which the **Claim** could have been settled. The maximum amount the Company will pay in the event of any later settlement or judgment is the amount for which the **Claim** could have been settled plus the amount of **Claim Expenses** incurred up to the time the Company made the recommendation, less any applicable deductible.

II. LIMITS OF LIABILITY

The Declarations sets forth the Company's Limits of Liability for the **Mortgage Loan Originator**. The Limits of Liability are in excess of the Deductible. All other persons or organizations included under the definition of **Insured** share such Limits of Liability with the **Mortgage Loan Originator**. The Limits of Liability apply regardless of the number of **Claims** made or the number of persons or organizations making **Claims** against the **Insured**. If **Related Claims** are subsequently made against any **Insured** and timely reported to the Company during this group policy or any renewal of this group policy, all such **Related Claims**, whenever made, shall be considered a single **Claim** first made within the **Individual Policy Period** in which the earliest of the **Related Claims** was first made. The amount paid for a **Claim** by the Company on behalf of all **Insureds** under each **Mortgage Loan Originator's** coverage shall be prorated in relationship to the amount awarded against each such **Insured**, but in no event shall the amount paid by the Company for all **Insureds** under each **Mortgage Loan Originator's** coverage exceed the applicable per **Mortgage Loan Originator** Limits of Liability shown on the Declarations.

- A. Subject to the paragraphs below, the Company's Limits of Liability for **Damages** and **Claim Expenses**,

combined, for each **Claim** per **Mortgage Loan Originator** shall not exceed the per **Claim** Limit stated in the Declarations.

- B. The Company's Limit of Liability for **Damages** and **Claim Expenses**, combined, for all **Claims** per **Mortgage Loan Originator** shall not exceed the Aggregate all **Claims** per **Mortgage Loan Originator** Limit stated in the Declarations.
- C. **Claim Expenses** resulting from any **Claim** covered under the policy shall first be applied to the **Claim Expenses** Limit of Liability stated in Item 3(c) of the Declarations, which shall be the maximum aggregate regardless of the number of **Claims** made or the number of persons or organizations making **Claims** against an **Insured**. If and when such Limit of Liability for **Claim Expenses** is exhausted, then any remaining **Claim Expenses** shall be applied to the Limits of Liability for **Damages** and **Claim Expenses** stated in Items 3(a) and (b) of the Declarations.

Provided, however, that if the applicable per **Claim** or Aggregate per **Mortgage Loan Originator** Limit of Liability for **Damages** and **Claim Expenses** set forth in Item 3(a) and 3(b), respectively, in the Declarations is exhausted by payment of **Damages**, **Claim Expenses**, or both in connection with any **Claim**, the Company's duties to defend, pay **Damages**, and pay **Claim Expenses** shall be completely fulfilled and the Company shall have the right to withdraw from further investigation, defense, or settlement of such **Claim** by tendering control of such investigation, defense, or settlement to the **Insured**, even if any applicable Limit of Liability for **Claim Expenses** set forth in Item 3(c) of the Declarations remains.

- D. Limits of Liability are not renewed or increased by virtue of the operation of the Automatic or Optional Extended Reporting Period.

III. DEDUCTIBLE

The **Insured** shall pay the Deductible, as stated in the Declarations, for each **Claim**. The Company's obligation to pay **Damages** begins only after the **Insured** has paid the Deductible. The Deductible shall apply to the payment of **Damages** only. The Company is obligated for amounts of **Damages** payable in excess of the Deductible up to the applicable Limit of Liability. The Company may pay any part or all of the Deductible to settle, defend, or investigate a **Claim**. In such case, the **Insured** must promptly reimburse the Company any amount of the Deductible paid by the Company. In the event the **Insured** does not reimburse the Company within sixty (60) days, the Company will be entitled to recover reasonable costs and attorney fees incurred in collecting such reimbursement.

IV. SUPPLEMENTARY PAYMENTS

Payments made under this section are not subject to the Deductible. In addition to the Limits of Liability, the Company will pay the following:

- A. Premiums on appeal bonds and bonds to release attachments. Premiums are limited to bonds no larger than the Company's remaining Limit of Liability applicable to the **Claim**. Obtaining the bond is not the Company's obligation.
- B. \$250 for each day the **Insured** attends a trial or hearing in a civil lawsuit covered under this policy; however, attendance must be at the Company's request. In no event shall the amount payable under this provision exceed a \$5,000 Aggregate Limit during the **Individual Policy Period**. In addition, the \$5,000 limit is the maximum the Company will pay even if such trial or hearing spans more than one **Individual Policy Period**.
- C. Post-judgment interest on that portion of any judgment to which this insurance applies and which accrues after entry of the judgment and before the Company has paid, offered to pay, or deposited, whether in court or otherwise, that part of the judgment for which the Company is responsible.
- D. If the **Insured** receives a subpoena for documents or testimony arising out of **Professional Services** and would like the Company's assistance in responding to the subpoena, the Company will retain an attorney to provide advice regarding the production of documents, to prepare the **Insured** for sworn testimony, and to represent the **Insured** at the **Insured's** deposition and while providing trial testimony pursuant to the subpoena, provided that:
 - 1. the **Insured** first receives the subpoena during the **Individual Policy Period** or any applicable Extended Reporting Period;

2. the **Professional Services** occurred after the **Mortgage Loan Originator's Retroactive Date** and before the effective date of cancellation or nonrenewal of the **Individual Policy Period**;
3. the **Professional Services** are not the subject of a **Claim** that is not covered under this policy;
4. the subpoena does not arise from **Professional Services** to which Exclusion J, K, L, O, or P would apply;
5. the subpoena arises out of a lawsuit to which the **Insured** is not a party; and
6. the **Insured** has not been engaged to provide advice or testimony in connection with the lawsuit, nor has the **Insured** provided such advice or testimony in the past.

It is further provided that the **Insured** shall have the following duties under this Supplemental Payment:

1. The **Insured** shall give the Company written notice of the subpoena by any of the methods listed in Section XI. THE INSURED'S DUTIES IF THERE IS A CLAIM within the **Individual Policy Period** or any applicable Extended Reporting Period, but no more than twenty (20) days after the **Insured** first becomes aware of such subpoena.
2. The **Insured** shall cooperate with the Company and, at the Company's request, the **Insured** shall assist the Company in responding to the subpoena. The **Insured** shall attend depositions and help in securing and giving evidence at the Company's request.

Unless a circumstance, **Claim**, or **Related Claim** involving the **Professional Services** has previously been reported in writing to the Company, any written notice to the Company of a subpoena shall be deemed notification of a circumstance under Section XII. CIRCUMSTANCE REPORTING.

The amount payable under this provision shall be subject to a \$2,500 Aggregate Limit, regardless of the number of subpoenas and even if the subpoena response spans more than one **Individual Policy Period**. All subpoenas involving the same **Professional Services**; the same negligent act, error, or omission; or **Related Negligent Acts, Errors, or Omissions**, whenever made, shall be considered a single subpoena first made within the **Individual Policy Period** in which the earliest of the subpoenas was first made. The Company shall not pay any **Damages** in connection with a subpoena.

V. TERRITORY

- A. If the **Mortgage Loan Originator's Domicile** is in the State of Colorado, then this policy applies to **Professional Services** performed anywhere in the world, provided that:
 1. the **Mortgage Loan Originator** will be covered for **Professional Services** performed outside the State of Colorado only if the **Mortgage Loan Originator** is duly licensed in such jurisdiction and the services performed would require a mortgage loan originator license pursuant to the laws of Colorado had the acts been performed in Colorado and
 2. the **Claim** arising out of the rendering of such **Professional Services** is brought within the United States of America, its territories or possessions.
- B. If the **Mortgage Loan Originator's Domicile** is not in the State of Colorado, then this policy and the coverage provided hereunder applies only to **Professional Services** performed in Colorado. The **Claim** arising out of the rendering of such **Professional Services** must be brought within the United States of America, its territories or possessions.

VI. EXCLUSIONS

This insurance does not apply to any **Claim** alleging, arising from, or related to:

A. Fraudulent or Dishonest Acts

fraudulent, dishonest, criminal, or malicious acts committed by the **Insured**, at the **Insured's** direction, with the **Insured's** knowledge, or by anyone for whose acts the **Insured** is legally responsible;

B. Insolvency

the insolvency of the **Insured**;

C. Failure to Pay or Collect

the failure to pay, collect, or return insurance premiums, trust monies, escrow monies, earnest money deposits, security deposits, tax money, or commissions;

D. Wrongful Termination

the wrongful termination of employment, breach of an employment contract, or other employment disputes;

E. Bodily Injury

bodily injury, sickness, disease, mental anguish, pain or suffering, emotional distress, or death of any person;

F. Property Damage

physical injury to, destruction of, or loss of use of tangible property;

G. Unfair Competition

unfair competition, piracy, advertising injury, or theft or wrongful taking of concepts or other intellectual property;

H. Libel or Slander

libel, slander, defamation of character, disparagement, detention, humiliation, sexual harassment, false arrest or imprisonment, wrongful entry or eviction, violation of the right to privacy, malicious prosecution, personal injury, or other invasion of rights to private occupancy;

I. Discrimination

discrimination on the basis of race, color, creed, national origin, sex, religion, age, sexual preference, marital status, any mental or physical handicap or disease, or any other unlawful discrimination category;

J. Owned or Purchased Property

1. **Professional Services** relating to property in which any of the following had any ownership or financial interest: an **Insured**; **Insured's** spouse; **Insured's Domestic Partner**; or any entity, partnership, or trust in which an **Insured**, **Insured's** spouse, or **Insured's Domestic Partner** owned or controlled any ownership or financial interest; or

2. **Professional Services** relating to property purchased or attempted to be purchased by any of the following: an **Insured**; **Insured's** spouse; **Insured's Domestic Partner**; or any entity, partnership, or trust in which an **Insured**, **Insured's** spouse, or **Insured's Domestic Partner** owned or controlled any ownership or financial interest;

K. Owned Entities

Professional Services performed for or on behalf of any entity, partnership, trust, or estate in which any of the following had any ownership or financial interest: an **Insured**; **Insured's** spouse; **Insured's Domestic Partner**; or any entity, partnership, or trust in which an **Insured**, **Insured's** spouse, or **Insured's Domestic Partner** owned or controlled any ownership or financial interest;

L. Developed / Constructed Property

Professional Services relating to property developed or constructed by any of the following: an **Insured**; **Insured's** spouse; **Insured's Domestic Partner**; or any entity, partnership, or trust in which an **Insured**, **Insured's** spouse, or **Insured's Domestic Partner** owned or controlled any financial interest;

M. Statutory Violations

violation of the Employee Retirement Income Security Act of 1974, the Securities Act of 1933, the Securities Exchange Act of 1934, any state Blue Sky or securities laws, or amendments thereto;

N. Maintenance of Insurance

failure by an **Insured** to provide, effect, or maintain any insurance or bond;

O. Specified Activities

the **Insured's** activities as:

1. a lawyer, title agent, mortgage banker, escrow agent, **Construction Manager**, property developer, or insurance agent; accountant; actuary; tax preparer; tax consultant; securities broker; securities dealer; registered representative of a securities broker or dealer; financial planner; nurse; doctor of medicine, veterinary medicine, or dentistry; architect; or engineer; or
2. a real estate broker or salesperson, if the real estate activity performed requires licensing or certification other than a **Mortgage Loan Originator** license;

P. Real Estate Investment Trusts

activities involving a property syndication, partnership, limited partnership, or real estate investment trust in which any of the following has, or had, a direct or indirect interest in the profits or losses: an **Insured**; **Insured's** spouse; **Insured's Domestic Partner**; or any entity, partnership, or trust in which an **Insured**, **Insured's** spouse, or **Insured's Domestic Partner** owned or controlled any ownership or financial interest;

Q. Contractual Liability

liability assumed by any **Insured** under any contract, indemnity agreement, purchase agreement, hold harmless clause, or other similar agreement unless such liability would have attached to the **Insured** in the absence of such contract;

R. Pollution / Mold / Fungi

whether suddenly or over a long period of time:

1. the actual, alleged, or threatened emission, discharge, dispersal, seepage, release, or escape of **Pollutants**, asbestos, radon, or lead;
2. the actual or alleged failure to detect, disclose, report, test for, monitor, clean, remove, contain, dispose of, treat, detoxify, or neutralize or in any way respond to, assess the effects of, or advise of the existence of **Pollutants**;
3. any nuclear reaction, nuclear radiation, or radioactive contamination or any act, condition, or pollution incidental to the foregoing; or
4. the actual or alleged:
 - a. or threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth of, or presence of or
 - b. failure to detect, disclose, report, test for, monitor, clean, remove, contain, dispose of, treat, detoxify, or neutralize or in any way respond to, assess the effects of, or advise of the existence of any **Fungi** or **Microbes** or of any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of **Fungi** or **Microbes**.

As used in this exclusion, pollution includes the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of **Pollutants**.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the **Damages** claimed;

S. Expected or Intended

injury or damage expected or intended by the **Insured**;

T. Commission and Fee Disputes

disputes over fees, commissions, or charges;

U. Prior Acts

negligent acts, errors, or omissions committed or alleged to have been committed either (1) before the date the **Mortgage Loan Originator** received an active Colorado mortgage loan originator license or (2) after the effective date of suspension, revocation, or inactivation of the **Mortgage Loan Originator's** Colorado mortgage loan originator license;

V. Fines and Penalties

any fines, penalties, assessments, punitive damages, exemplary damages, multiplied damages, or matters deemed uninsurable under applicable law; or

W. Conversion / **Third Party Deception**

any conversion, misappropriation, commingling, defalcation, embezzlement, theft, disappearance, or insufficiency in amount of any monies, funds, or other assets or other property or **Third Party Deception**, including, but not limited to, any failure to detect, identify, disclose, or prevent such conversion, misappropriation, commingling, defalcation, embezzlement, theft, disappearance, or insufficiency in amount or **Third Party Deception**, regardless of the identity of the person or entity actually or allegedly engaged in or responsible for the conduct or failure(s) in question;

X. Securitization, Sale, or Servicing

securitization, sale, or servicing of mortgage loans, including but not limited to **Servicing a Mortgage Loan**; or

Y. Reverse Mortgage Loans

Professional Services relating to the application for, issuance of, or in any other way involving a reverse mortgage loan, including a **Reverse Mortgage Loan**, unless a Reverse Mortgage Transaction Endorsement is purchased by and issued to the **Mortgage Loan Originator** and coverage would apply under that endorsement.

VII. EXTENDED REPORTING PERIODS

In case of cancellation or nonrenewal, the **Mortgage Loan Originator** may be eligible for the following Extended Reporting Periods to apply, both subject to Paragraph C below:

- A. Automatic Extended Reporting Period: In case of cancellation or nonrenewal because a **Mortgage Loan Originator** retires, places his/her license on inactive status, or allows his/her license to expire, the policy will apply to **Claims** first made against the **Insured** and reported in writing to the Company up to ninety (90) days after the effective date of cancellation or nonrenewal. Said ninety (90) day period will be hereinafter referred to as the Automatic Extended Reporting Period.
- B. Optional Extended Reporting Period: In case of cancellation or nonrenewal for any reason, the **Mortgage Loan Originator** shall have the option, upon payment of an additional premium within ninety (90) days after the effective date of the cancellation or nonrenewal, to cause the policy to apply to **Claims** first made against the **Insured** and reported in writing to the Company during the Optional Extended Reporting Period. The Optional Extended Reporting Period will replace the Automatic Extended Reporting Period. The premium for the Optional Extended Reporting Period will be fully earned and is determined as shown below:

Optional Extended Reporting Periods
One Year
Two Years
Three Years

Optional Extended Reporting Period Premium
100% expiring premium, including any endorsement premium
150% expiring premium, including any endorsement premium
200% expiring premium, including any endorsement premium

Five Years

300% expiring premium, including any endorsement premium

The Optional Extended Reporting Period cannot be canceled by the Company or the **Insured**.

C. Coverage afforded by the Automatic and Optional Extended Reporting Periods:

1. Shall apply solely to **Claims** arising from a negligent act, error, or omission:
 - a. committed or alleged to have been committed after the **Retroactive Date**;
 - b. committed or alleged to have been committed before the effective date of cancellation or nonrenewal; and
 - c. which are otherwise insured under all the other terms, conditions, and exclusions of this policy.
2. Shall not apply to any **Claim**, which is insured by any other policy of insurance, nor as excess above such other policy of insurance.
3. Nothing in Paragraph A or B shall serve to increase the Limits of Liability as provided in Section **II. LIMITS OF LIABILITY** or Section **IV. SUPPLEMENTARY PAYMENTS**. 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.

VIII. DEFINITIONS

Claim means:

1. a written demand for money or services received by the **Insured**; or
2. service of a lawsuit or institution of arbitration or mediation proceedings against the **Insured** seeking **Damages** and alleging a negligent act, error, or omission in the performance or failure to perform **Professional Services**. Complaints to or disputes before a state or federal regulatory or administrative board or agency are not **Claims**. Criminal proceedings are not covered under this Policy regardless of the allegations made against any **Insured**.

Claim Expenses means:

1. fees, costs, and expenses resulting from the investigation, adjustment, defense, and appeal of a **Claim** if incurred by the Company or by the **Insured** with the Company's written consent; and
2. fees charged by attorneys designated by the Company.

Payment of **Claim Expenses** by the Company shall reduce, and may exhaust, any available **Claim Expense** coverage. Costs, fees, or expenses of employees or officials of the Company are not **Claim Expenses**. Nor shall **Claim Expenses** include salaries, loss of earnings, or other remuneration by or to any **Insured**.

Damages means compensatory damages. **Damages** do not include return or restitution of fees, commissions, expenses, or costs; injunctive or declaratory relief; fines; penalties; punitive, exemplary, or multiplied damages; or matters deemed uninsurable under applicable law.

Domestic Partner means any person qualifying as a "domestic partner" under any federal, state, or local law.

Domicile means a person's permanent legal home to which he or she returns or intends to return. A person may have more than one residence but only one domicile.

Fungi means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut, or mushroom.

Group Policy Period means the period set forth in the Declarations. The **Group Policy Period** may be shortened by cancellation.

Individual means a natural person.

Individual Policy Period means the period set forth in the Certificate of Coverage commencing with the date the **Mortgage Loan Originator** obtained coverage under this group policy by paying the appropriate premium and ending with the cancellation or expiration of the **Mortgage Loan Originator's** coverage under this group policy. The **Individual Policy Period** must be within the dates of the **Group Policy Period** shown on the Declarations.

Insured means the following:

1. the **Mortgage Loan Originator**;
2. the **Mortgage Loan Originator's** heirs, executors, administrators, or assigns in the event of the **Mortgage Loan Originator's** death, incapacity, or bankruptcy but only to the extent that such **Mortgage Loan Originator** would have been provided coverage under this policy;
3. when this policy provides coverage for a **Claim** made against any of the **Insureds** listed in 1 or 2 above, **Insured** will also mean the **Unlicensed Employee**.

Loan Processor or Underwriter means an **Individual** who performs clerical or support duties at the direction of, and subject to supervision by, a state-licensed loan originator or a registered loan originator. As used in this definition, "clerical or support duties" includes duties performed after receipt of an application for a residential mortgage loan, including: (i) The receipt, collection, distribution, and analysis of information commonly used for the processing or underwriting of a residential mortgage loan and (ii) communicating with a borrower to obtain the information necessary to process or underwrite a loan, to the extent that the communication does not include offering or negotiating loan rates or terms or counseling consumers about residential mortgage loan rates or terms.

Microbes means any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease.

Mortgage Lender means a lender who is in the business of making **Residential Mortgage Loans** if: (1) the lender is the payee on the promissory note evidencing the loan and (2) the loan proceeds are obtained by the lender from its own funds or from a line of credit made available to the lender from a bank or other entity that regularly loans money to lenders for the purpose of funding mortgage loans.

Mortgage Loan Originator means the **Individual** who holds an active mortgage loan originator license issued by the **Policyholder** under C.R.S. Title 12, Article 61, Part 9, et. seq, the Mortgage Loan Originator Licensing and Mortgage Company Registration Act, and has paid the required premium.

Policyholder means the Colorado Department of Regulatory Agencies – Division of Real Estate.

Pollutants means any solid, liquid, gaseous, thermal, biological, or radioactive substance, material, matter, toxin, irritant, or contaminant, including but not limited to radon, asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

Professional Services means the following services performed by the **Mortgage Loan Originator** as a licensed mortgage loan originator, as defined in C.R.S. § 12-61-902, and which require a mortgage loan originator license, provided all necessary licenses are held by the **Mortgage Loan Originator** at the time of the act, error, omission giving rise to the **Claim**:

1. taking a **Residential Mortgage Loan** application and
2. offering and negotiating terms of a **Residential Mortgage Loan**.

Professional Services do not include:

1. acting solely as a **Loan Processor or Underwriter**;
2. performing real estate brokerage or sales activities, which require a real estate broker or salesperson license;
3. activities involving extensions of credit relating to time share plans, defined in 11 U.S.C. § 101 (53D);
4. **Servicing a Mortgage Loan**; or
5. performing the services and activities of a dealer, as defined in C.R.S. § 24-32-3302.

Related Claims means all **Claims** arising out of a single negligent act, error, or omission or arising out of **Related Negligent Acts, Errors, or Omissions** in the rendering of **Professional Services**.

Related Negligent Acts, Errors, or Omissions means all negligent acts, errors, or omissions in the rendering of **Professional Services** that are temporally, logically, or causally connected by any common fact, circumstance, situation, transaction, event, advice, or decision.

Residential Mortgage Loan means a loan, other than a **Reverse Mortgage Loan**, which is primarily for personal, family, or household use and that is secured by a mortgage, deed of trust, or other equivalent, consensual security interest on a dwelling or **Residential Real Estate** upon which is constructed, or intended to be constructed, a single-family dwelling or multiple-family dwelling of four (4) or fewer units.

Residential Real Estate means any real property upon which a dwelling is or will be constructed.

Retroactive Date means the date when the first mortgage loan originators errors and omissions coverage was effective insuring the **Mortgage Loan Originator** on a claims-made basis and since which time the **Mortgage Loan Originator** has been continuously insured by coverage similar to that provided by this policy. The **Retroactive Date** is established separately for each **Mortgage Loan Originator**.

Reverse Mortgage Loan means a nonrecourse loan which:

1. is secured by real property;
2. provides cash advances, whether in the form of a lump sum, periodic payments, a line of credit, or other similar methods, or a combination thereof, to a borrower based on the equity in the borrower's owner-occupied principal residence, which periodic payments may be derived from an annuity purchased with such cash advances;
3. requires no partial or other payment of principal or interest until the entire loan becomes due and payable; and
4. is made by a bank, savings and loan association, or credit union organized under the laws of the United States or the state of Colorado or a person who regularly makes loans or advances secured by interests in residential real property.

Servicing a Mortgage Loan means collecting, receiving, or obtaining the right to collect or receive payments on behalf of a **Mortgage Lender**, including payments of principal, interest, escrow amounts, and other amounts due on obligations due and owing to the **Mortgage Lender**.

Third Party Deception means the misleading of a person or persons through the misrepresentation by another person or persons, whether or not known to the **Insured**, which results in the theft, conversion, embezzlement, or misappropriation of any monies, funds, or other assets or property.

Unlicensed Employee means the support staff employed by the **Mortgage Loan Originator** and under the **Mortgage Loan Originator's** supervision and control who is assisting the **Mortgage Loan Originator** in the performance of the **Mortgage Loan Originator's Professional Services**, including a personal assistant, clerk, secretary, messenger, and intern but shall not include an owner, officer, director; a temporarily licensed mortgage loan originator employed by or sponsored by the **Mortgage Loan Originator**; or any other staff member who is not under the direct supervision of the **Mortgage Loan Originator** or assisting the **Mortgage Loan Originator** in the performance of the **Mortgage Loan Originator's Professional Services**.

IX. **PREMIUM**

This coverage shall not be effective until and unless the application for coverage has been approved by the Company and the premium has been paid. Each **Mortgage Loan Originator's** premium shall be fully earned at the inception date of the policy unless the Company cancels the policy.

X. **AUDIT**

The Company may audit the **Insured's** records to determine the accuracy of pertinent information provided by the **Insured**. The Company will give reasonable notice to the **Insured** of such an audit. The audit will take place during the **Insured's** regular business hours.

XI. **THE INSURED'S DUTIES IF THERE IS A CLAIM**

A. The **Insured** shall give written notice by submitting a completed Notice of Claim Form to the Company as soon as possible after the **Claim** is first made but in no event more than ninety (90) days after the **Insured** becomes aware of such **Claim**. Such written notice shall include the name of the **Mortgage Loan Originator** and shall include the time, place, and details of the **Claim**. Notice shall be delivered to:

U.S. Mail Delivery

Claims Department
P.O. Box 6709
Louisville, KY 40206-0709

Overnight Delivery

Claims Department
4211 Norbourne Blvd.
Louisville, KY 40207-4048

Electronic Delivery

Fax: (502) 896-6343
Email: claims@risceo.com

- B. The **Insured** shall not admit any liability, make any settlement, pay any **Damages**, or assume any duty or obligation for any **Claim** without the prior written consent of the Company. The **Insured** shall not incur any **Claim Expenses** for any **Claim** without the prior written consent of the Company.
- C. The **Insured** shall immediately forward to the Company every demand, notice, summons, or other process about any **Claim** received by the **Insured** or the **Insured's** representative.
- D. The **Insured** shall cooperate with the Company and, at the Company's request, the **Insured** shall assist the Company in responding to the **Claim** and making settlements. The **Insured** shall attend hearings and trials and help in securing and giving evidence at the Company's request.

XII. CIRCUMSTANCE REPORTING

If during the **Individual Policy Period**, the **Insured** becomes aware of any act, error, or omission that may reasonably be expected to be the basis of a **Claim** against an **Insured** and gives written notice to the Company by any of the means listed in Section **XI. THE INSURED'S DUTIES IF THERE IS A CLAIM** of such act, error, or omission and additional information about the potential **Claim**, including but not limited to:

- 1. the specific act, error, or omission;
 - 2. the dates and persons involved;
 - 3. the identity of the anticipated or possible claimants or complainants; and
 - 4. the circumstances by which the **Insured** first became aware of the potential **Claim**,
- then any **Claim** or subpoena that arises out of such reported act, error, or omission, subsequently made against the **Insured** and reported to the Company shall be deemed to have been made at the time such written notice was first given to the Company.

XIII. SUBROGATION

If the Company makes any payment under this policy, the Company shall receive all of the **Insured's** rights of recovery against any persons or organizations. The **Insured** shall assist the Company in whatever way is necessary to secure such rights. When a **Claim** is made, the **Insured** shall do nothing to thwart the Company's recovery of amounts paid to other parties who might be responsible for the **Claim**.

XIV. CHANGES

The terms of this policy may not be waived or changed unless the Company issues an Endorsement. All Endorsements become a part of this policy upon the Endorsement's effective date. The **Policyholder** or the **Mortgage Loan Originator** and the Company may make changes in the terms of the policy upon mutual consent.

XV. ACTION AGAINST THE COMPANY

The **Insured** may not bring a lawsuit against the Company unless the **Insured** has complied with all the terms and conditions of this policy. Nor shall an action lie against the Company until judgment or trial determines the **Insured's** responsibility to pay.

XVI. BANKRUPTCY

Bankruptcy or insolvency of the **Insured** or the **Insured's** estate will not relieve the Company of its obligations under this policy.

XVII. CANCELLATION

- A. The **Policyholder** may cancel this policy by giving, mailing, or delivering to the Company advance written notice of cancellation or surrendering the policy to the Company at least one hundred twenty (120) days before the effective date of cancellation. If the **Policyholder** cancels the policy, it is responsible for notifying each **Mortgage Loan Originator** of the effective date of cancellation.
- B. The Company may cancel this policy by mailing notice of the intention to cancel accompanied by the reasons therefor to the **Policyholder** by first-class mail at the last address shown in the Company's records in accordance with the provisions of C.R.S. § 10-4-109.7 at least forty-five (45) days before the effective date of cancellation if cancellation is based on the revocation of the **Mortgage Loan**

Originator's license, or at least ten (10) days before the effective date of cancellation if cancellation is based on nonpayment of premium.

If notice is mailed, proof of mailing will be sufficient proof of notice. If the policy is canceled, the effective date of cancellation will become the end of the policy period. If the Company cancels the policy, the **Policyholder** is responsible for notifying the **Mortgage Loan Originator** of the effective date of cancellation.

XVIII. NONRENEWAL

If the Company elects not to renew this policy, it will give, mail, or deliver to the **Policyholder** written notice of nonrenewal at least forty-five (45) days before the expiration date of the policy.

XIX. CONFORMITY TO STATUTES

If applicable law is in conflict with this policy, the policy is amended to conform to that law.

XX. OTHER INSURANCE

This insurance is excess over any other insurance, whether primary, excess, contingent, or on any other basis, except when purchased specifically to apply in excess of this insurance. When both this insurance and other insurance apply to any **Claim**, whether primary, excess, or contingent, the Company shall not be liable under this policy for a greater proportion of the **Damages** or **Claim Expenses** than the applicable Limits of Liability under this policy for such **Damages** or **Claim Expenses** bears to the total applicable Limits of Liability of all valid and collectible insurance against such **Claims**.

XXI. LICENSE INACTIVE

In the event a **Mortgage Loan Originator's** license is placed on inactive status or on suspension during a period in which the **Mortgage Loan Originator** has paid the applicable premium, the policy will remain in effect for the remainder of the **Individual Policy Period** as if the license had not been placed in inactive status or on suspension, regardless of whether the license is reactivated, except that coverage will not be provided for acts, errors, or omissions of the **Mortgage Loan Originator** that occurred during the period when the license was in an inactive status or on suspension.

XXII. AUTHORIZATION CLAUSE

By accepting this policy, the **Insured** agrees that the statements in the application are the **Insured's** agreements and representations. The **Insured** agrees that these statements are true and correct as of the inception of this policy. This policy has been issued relying upon those statements and representations. The **Insured** agrees that the policy and application are the total agreement between the **Insured** and the Company or its agents.

XXIII. TRANSFER

This policy is not transferable.

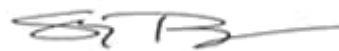
XXIV. TRADE AND ECONOMIC SANCTIONS

This policy does not provide coverage for **Insureds**, transactions, or that part of **Damages** or **Claim Expenses** that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

IN WITNESS WHEREOF, we have caused this policy to be executed by our Chairperson and Secretary, but this policy shall not be binding upon us unless completed by the attachment of the Certificate of Coverage and executed by our duly authorized representative.



Chairman



Secretary