

# Tennessee Real Estate Errors and Omissions Program

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

## NOTICE

Each real estate broker, affiliate broker and timeshare salesperson who is actively licensed in Tennessee 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 Commission and the licensee obtains a "Certificate of Coverage" signed by an authorized agent or employee of the insurance carrier (which shall be produced for inspection upon request of the Commission). Upon application for issuance or renewal of an active license, you must certify that you are in compliance with the insurance requirements of this chapter. If you currently have coverage with the Commission's group policy, your coverage will expire on December 31, 2002. If coverage under the policy is not renewed by November 1, 2002 or the licensee has not obtained the required coverage from another qualified insurance provider, the Commission will place the license on inactive status effective January 1, 2003.

## Enrollment Form for Errors and Omissions Insurance

In order to maintain a superior program for the Tennessee Real Estate Commission's official group program, Rice Insurance Services Company, LLC (RISC) has an agreement with Continental Casualty Company to provide its policy for the Tennessee 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 Tennessee licensees. **The two-year premium payment of \$306.00 per licensee for the group program is now due, if you wish to participate in the group program.** The group program provides the required limits of \$100,000/\$300,000 per licensee with a \$1,000 deductible for damages. **ACTIVE** licensees (brokers and salespersons) are **REQUIRED** to carry E&O insurance. A firm is not required to carry E&O insurance. **INACTIVE** licensees are not required to have E&O insurance but may want to purchase an Optional Extended Reporting Period Endorsement. (Before activation of license, licensee must obtain 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.

A brochure and sample policy are enclosed for your review. Please note the policy includes coverage for appraisal services performed by a licensee that is licensed as a real estate appraiser who holds an active real estate license. Information about higher limits for the firm is being sent to your principal broker.

**Optional Coverages Available:** Conformity Endorsement, Property Management Endorsement, Limited Claims Expenses Coverage Environmental Endorsement, Limited Claims Expenses Coverage Fair Housing Endorsement and Limited Claims 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 coverage must be mailed and made payable to RISC.** Please refer to the enclosed brochure for information regarding the program and endorsements available.

**Optional Extended Reporting Period (ERP) Endorsement** is available for licensees who are currently insured with the Commission's group policy who have placed their license inactive or otherwise have not renewed their coverage. If a licensee retires, places license inactive or allows license to expire, the current policy provides that licensee will be insured for claims made and reported within 365 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 for any reason, the Insured has the option, upon payment of premium to purchase a three (3) year ERP endorsement within ninety (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. The fee to obtain an ERP endorsement from January 1, 2003 through January 1, 2006, is \$195.00. Please contact us at (888) 248-2444 if you would like to obtain this coverage.

CNA is a service mark and trade name registered with the US Patent and Trademark Office. The program referenced herein is underwritten by Continental Casualty Company, one of the CNA insurance companies. This information is for illustrative purposes only and is not a contract. It is intended to provide a general overview of the products and services offered. Only the policy can provide the actual terms, coverages, amounts, conditions and exclusions. This program is only available in Tennessee. ©2002

**Please Return This Enrollment Form With Your Payment**

**Premium must be received or postmarked no later than November 1, 2002.**

A brochure which contains additional information on optional coverages is included in this mailer.

<u>Payment Type</u>	<u>Unit Price</u>	<u>Amount Due</u>
<b>Premium (2 Year: 1/1/03-1/1/05)</b>	<b>\$306</b>	<b>\$306</b>
<b>OPTIONAL COVERAGES BELOW:</b>		
These coverages are not available for firm license coverage.		
<b>Conformity:</b> Circle all applicable mandated states where you are licensed and need proof of E&O coverage. This endorsement does not apply if you are a non-resident of Tennessee. <b>(2 Year: 1/1/03-1/1/05)</b> <b>CO IA ID LA KY MS ND NE NM RI SD</b>	<b>\$30</b> (Regardless of the number of states at the time of issuance.)	
<b>Property Management Endorsement (2 Year: 1/1/03-1/1/05)</b>	<b>\$100</b>	
<b>Limited Claims Expenses Coverage Environmental Endorsement (2 Year: 1/1/03-1/1/05)</b>	<b>\$30</b>	
<b>Limited Claims Expenses Coverage Fair Housing Endorsement (2 Year: 1/1/03-1/1/05)</b>	<b>\$30</b>	
<b>Limited Claims Expenses Coverage Real Estate Regulatory Complaints Endorsement (2 Year: 1/1/03-1/1/05)</b>	<b>\$30</b>	
<b>Total (add \$306 premium + any optional coverages)</b>		

**Please do not submit your E&O premium to the Tennessee Real Estate Commission.**  
**All premium payments must be mailed to the address below .**

We will verify coverage with the Tennessee Real Estate Commission. However, it is your responsibility to provide verification to other commissions and entities. If you have any questions, please call us at (888) 248-2444.

Please make your check or money order payable to: **RISC**  
 Mail Payment to: **PO Box 6709, Louisville, KY 40206-0709**  
 Overnight Deliveries to: **4211 Norbourne Blvd. Louisville, KY 40207**  
 Please complete or make corrections to the information below.

License #:	Phone #:
Name:	Email:
Firm:	SS#:
Address:	