Commercial Lines Policy

For [Named Insured]

Policy#: [Policy Number]
Policy Period: [Policy Eff Date] to [Policy Exp Date]

Home Office: Administrative Office:
161 North Clark Street, 48th Floor
Chicago, IL 60601
(for claims, policy service, questions & complaints)
CRES Insurance Services LLC
PO Box 29502 #69121
Las Vegas, NV 89126-9502
(800) 880-2747
REAL ESTATE SERVICES ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY

YOUR POLICY INCLUDES THIS FRONT PAGE AND THE FOLLOWING PARTS:

PART 1. Declarations Page
PART 2. Notices
PART 4. Introduction
PART 5. Insuring Agreements and Exclusions
PART 6. Definitions Used in This Policy
PART 7. General Conditions
PART 8. Endorsements
PART 9. A Copy of Your Signed Application or Renewal Application

ALL OF THESE PARTS MUST BE INCLUDED TO MAKE A COMPLETE POLICY.
REAL ESTATE SERVICES ERRORS AND OMISSIONS INSURANCE

PART 1.

DECLARATIONS PAGE

1. Named Insured / Address: Policy Number:

2. Policy Period: From to (12:01 AM at address #1)

3. Retroactive Date:

4. Insured Services:

5. Limit of Liability:
   a. Each Wrongful Act: $100,000
   b. Aggregate: $500,000
   c. Discrimination: To Policy Limit
   d. Lockbox: To Policy Limit / None
   e. Contingent Liability: $100,000 / None

6. Retention: $ (see endorsements for reductions / enhancements)

7. Premium: $ Per Transaction Side

8. Forms and Endorsements:
Authorized Signature:               Date Issued:

This Policy is issued to a participating member of the [  ], a Risk Purchasing Group. The insurer for the purchasing group may not be subject to all the laws and regulations of Your state. Depending on the state, the insurance insolvency guarantee fund may not be available to the Purchasing Group.
PART 2. NOTICES

A. Claims Made and Reported Policy:

This insurance coverage is on a claims made and reported basis. Coverage applies only to those Claims that are first made against You and reported to Us during the Policy Period and any Extended Reporting Period as those terms are described in the Policy. Coverage does not apply to any Wrongful Acts committed before the Retroactive Date stated on the Declarations Page.

B. Defense Costs Within the Limit:

This insurance coverage contains a provision that reduces the Limit of Liability stated in the Policy by the amount of Defense Costs.

C. Awareness:

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine Your rights and duties, and what is and is not covered. We will not pay sums or perform acts or services unless explicitly provided for in this Policy.
PART 3. QUICK REFERENCE TO POLICY PROVISIONS

The following is a quick reference indexing of Your Policy's provisions, listed in sequential order. The descriptions in the quick reference are not binding. The quick reference should only be used to help You locate the actual Policy provisions.

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PART 2. NOTICES
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B. Defense Costs Within the Limit
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PART 4.

INTRODUCTION

The words We, Us and Our refer to the Insurer named on the Declarations Page.

The words You and Your refer individually and collectively to:

1. The Named Insured as defined in Part 6.G.;

2. The Named Insured’s stockholders, (members if the Named Insured is organized as an LLC) and partners (if the Named Insured is a partnership), but only for their liability as stockholders, members, or partners;

3. The Named Insured’s officers, directors and employees, but only for Wrongful Acts within the scope of their authorized duties in such capacity for the Named Insured;

4. Former officers, directors and employees of the Named Insured, but only for Wrongful Acts both:
   a. Within the scope of their duties in such capacity for the Named Insured; and
   b. Made while they were the Named Insured’s partner, officer, director or employee;

5. In the event of death, incompetence, insolvency or bankruptcy of any of You, Your legal representative but only for Wrongful Acts within the scope of their duties for the Named Insured;

6. Any franchisor of the Named Insured, but only to the extent that liability arises solely out of an error or omission of the Named Insured;

7. Any professional association, standards or accreditation board of which the Named Insured is a member, but only to the extent that liability arises only out of an error or omission of the Named Insured; or

8. Any independent contractor (whether or not a Natural Person, including “Teams”) engaged in the practice of real estate as a broker or agent of the Named Insured (and unlicensed employees of such duly licensed independent contractor) practicing his or her profession under the laws of all jurisdictions in which he or she practices.

9. If You are covered as an Individual Licensee or Independent Contractor, Named Insured is limited to definitions 1, 5, 6 and 7 only.

Other words or phrases that are bold-faced have special meaning.
PART 5. INSURING AGREEMENTS AND EXCLUSIONS

A. What We Insure

We will pay on Your behalf those sums in excess of the Retention and up to the applicable Limit of Liability stated in Item 5. of the Declarations Page that You become legally obligated to pay as Damages or Defense Costs because of Claims as a result of a Wrongful Act in performing Insured Services for anyone other than You. We have the right and duty to appoint an attorney and defend any Claim to which this insurance applies, even if the allegations are groundless, false or fraudulent. You may engage additional counsel, solely at Your expense to associate in their defense of any Claim covered hereunder.

We also have the right to investigate any Claim and/or negotiate settlement thereof, as We deem expedient, but We shall not settle any Claim without Your consent. If We recommend settlement to You, which is agreeable to the claimant and You do not agree, Our Limit of Liability is reduced to the total of the amount for which the Claim could have been settled plus the amount of Claim expense up to the time that We made the recommendation.

Our right and duty to defend and pay on Your behalf ends when We have used up the applicable Limit of Liability in payment of Damages or Defense Costs.

B. What We Do Not Insure - Exclusions

1. We are not obligated to pay Damages or Defense Costs or defend Claims for, arising directly or indirectly out of, or in any way alleging:
   a. Bodily Injury or Property Damage including any loss of wages or consortium or other related Claims, of any person or loss of use of tangible property; provided, however, that this exclusion does not apply:
      (1) to Property Damage arising from the performance of Insured Services by a Named Insured solely in the distribution, maintenance, operation or use of a lock box on property not owned or occupied by or leased to any Named Insured.
      (2) to any Claim brought by a purchaser of real property that solely alleges diminution in value of real property as a direct result of Bodily Injury of any person;
   b. Infringement of:
      (1) Copyright;
      (2) Trademark, trade dress, trade name, service mark, service name, title or slogan;
      (3) Patent; or
      (4) Any other intellectual property right, including misappropriation of trade secrets;
   c. Statutory or common law unfair competition, restraint of trade or any other violation of antitrust laws;
   d. Discrimination on the basis of age, sex, gender, military service, race, creed, color, religion, handicap, disability or health condition, marital status, national origin, or sexual preference by You, including any Claim resulting therefrom. However, notwithstanding the foregoing, We shall pay Defense Costs resulting from any Claim alleging such conduct by You. Provided, however, Our obligation to pay such Defense Costs shall not exceed the Each Wrongful Act Limit of Liability set forth in Item 5.a. of the Declarations Page, or $1,000,000, whichever amount is lesser, as a result of any one Claim or all such Claims during the Policy Period (“Discrimination Defense Cost Sublimit of Liability”).
   In no event will the Discrimination Defense Cost Sublimit of Liability exceed the Aggregate Limits of Liability set forth in Item 5.b. of the Declarations Page.
   We shall not be obligated to pay any Defense Costs or to defend any suit after the applicable Discrimination Defense Cost Sublimit of Liability has been exhausted.
   e. Gain, profit or advantage to which any of You are not legally entitled;
   f. Assumption of liability by any of You under any contract or agreement, including any warranty. This exclusion does not apply to liability You would have incurred in the absence of such contract, agreement or warranty;
   g. Disputes involving fees, commission or charges, the failure to pay or collect premium, escrow or tax money or the commingling of funds or other property;

This exclusion shall apply to any of You who had knowledge of or participated in the aforementioned conduct. For purposes of this exclusion only:
a. The knowledge of an Insured Person shall not be imputed to any other Insured Person;
b. The knowledge of the Named Insured's CEO, CFO, RM, and GC (or the functional equivalent of such positions for the Named Insured) shall be imputed to any Insured that is an entity. The knowledge of any other Insured, other than the aforementioned officers or employees, shall not be imputed to another Insured entity.

h. Property syndication, real estate investment trusts, limited or general partnerships, including but not limited to corporate entities, or ventures when any such Claim is brought by or on behalf of an investor, shareholder or partner in any such entity;
i. Purchase of insurance, or the failure to effect or maintain adequate levels or types of insurance;
j. Acts by any of You related to any pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts; or any violation of any provisions of the Employee Retirement Income Security Act of 1974, or any amendment, regulation, ruling or order issued pursuant to the Act or any similar provisions of any federal, state or local law;
k. Violation of:
   (1) The Security Act of 1933 as amended;
   (2) The Securities Exchange Act of 1934 as amended;
   (3) Any state blue sky or securities law;
   (4) Any similar state or federal law; or
   (5) Any order, ruling or regulation issued pursuant to the above laws;
l. Insolvency or bankruptcy of:
   (1) Any of You; or
   (2) Any enterprise in which any of You own an interest;
m. Based on or arising out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any Pollutant on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to the injury or damage; or any loss cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, any Pollutant, by You or by any other person or entity for which the insured is liable. Provided, however, notwithstanding the above, We are obligated to pay Damages or Defense Costs up to the Pollution Coverage Sublimit of Liability set forth below, if, and to the extent that, a Claim solely results from Your failure to disclose the existence or presence of any Pollutant on a residential property with 1-4 residential units.

Pollution Coverage Sublimit of Liability: $100,000
The "Pollution Coverage Sublimit of Liability" as set forth above is the maximum amount that We are obligated to pay for both Damages and Defense Costs combined for the total of all such Claims alleging a failure to disclose the existence or presence of any Pollutant made during the Policy Period and any Extended Reporting Period, and is included within, and not in addition to the Aggregate Limit of Liability stated in Item 5.b. of the Declarations Page.

"Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to:
   (1) Smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, mold or asbestos;
   (2) Hazardous, toxic or radioactive matter or nuclear radiation;
   (3) Waste, which includes material to be recycled, reconditioned or reclaimed;
   (4) Any other pollutant as defined by applicable federal, state or local statutes, regulations, rulings or ordinances; or
   (5) Radon, mold or other organic matter, including, but not limited to Aspergillus, Penicillium, or any strain or type of Stachybotris commonly collectively referred to as the "Black Molds";

In no event will Our liability exceed the lesser of either the most recent bona-fide sale price of the dwelling or the Pollution Coverage Sublimit of Liability as stated above;
n. Services involving property in which any of You or any of Your Direct Relatives have or had, or will have an ownership or equity interest, either direct or indirect, as an individual, partner, shareholder or fiduciary. "Direct Relative" means any of the following (including step-relations or relations by adoption): Your parents, siblings, children and Your spouse (or domestic partner) and Your spouse’s (or domestic partner’s) parents, siblings or children.

This exclusion does not apply to Claims involving only the sale (not purchase) of residential property owned in which You or a Direct Relative have or will have a financial interest if:

1. A written Home Inspection Report is issued by an ASHI, CREIA, NACHI or NAHI member inspector;
2. An Approved Home Warranty is in place;
3. All State required property transfer disclosure statements are properly completed, signed, and delivered;
4. The property in which the insured holds an interest consists of 1-4 residential units;

o. Ownership, syndication or development of property; mortgage or investment banking; feasibility studies; property surveys; opinions relating to zoning laws; or activities as an investment advisor/manager, construction advisor/manager, risk manager, or title abstractor;

p. The performance of services by any of You which can only be performed by:
1. A licensed, certified, or registered attorney or public accountant; or
2. A professional investment advisor or financial management consultant;

q. Any financing term that is contained on addenda or otherwise not within the standard form real estate sales contract. This exclusion does not apply to such financing terms if they were disclosed to all lenders and borrowers prior to loan approval.

r. Any theft; conversion, misappropriation or defalcation of funds or other property; or any disbursement or the inability or failure to safeguard any escrow, trust, money, securities, property, assets, accounts or funds as a result of unauthorized, misleading, fraudulent, false or deceptive information or instructions including any social engineering fraud, computer fraud, electronic or wire fraud, telecommunications fraud and any extortion, ransom or demand thereof.

s. Facts, circumstances, situations, errors or omissions shown in response to Claims or circumstances disclosed, or that should have been disclosed on the Application or Renewal Application completed in connection with this Policy.

2. We are not obligated to pay Damages or Defense Costs or defend Claims made by:

a. Any enterprise:
1. In which any of You, individually or collectively, directly or indirectly own an interest greater than 10% of the total ownership;
2. In which any of You is a partner; or
3. Which is a parent, affiliate or subsidiary company of any of You;

b. Any enterprise directly or indirectly controlled, operated or managed by an enterprise described in Part 5.B.2.a. above;

c. Any of You; or

d. Any present, former or prospective employees, officers or directors of any of You when the Claim is in any way related to the present, former or prospective employment relations between the claimant and any of You;

3. We are not obligated to pay Damages or Defense Costs or defend Claims for:

a. The breach of express warranties, guarantees or contracts;

b. An act or omission that a jury, court or arbitrator could find dishonest, fraudulent, criminal, malicious or was intentionally committed while knowing it was wrongful;

This exclusion shall apply to any of You who had knowledge of or participated in the aforementioned conduct. For purposes of this exclusion only:

1. The knowledge of an Insured Person shall not be imputed to any other Insured Person;
2. The knowledge of the Named Insured's CEO, CFO, RM, and GC (or the functional equivalent of such positions for the Named Insured) shall be imputed to any Insured that is an entity. The knowledge of any other Insured, other than the aforementioned officers or employees, shall not be imputed to another Insured entity; or

c. Refunds, rebates, discounts, or any other fees or charges of any insured or others.

C. Where and When We Insure

1. Where We Insure

The insurance afforded by this policy applies only to Claims that are first made and reported to us during the Policy Period. A Claim must be made and suit brought, concerning property located within the United States of America, its territories, possessions or Canada.

2. When We Insure

a. Claims First Made

This insurance applies when a written Claim is first made against any of You and reported to us as soon as practicable. However, in no event shall any notice be provided later than 7 days after the end of the Policy Period. To be covered, the Claim must also arise from a Wrongful Act committed during the Policy Period.

We will consider a Claim to be first made against You when a written Claim is first received by any of You.

This insurance also applies to Claims under the following conditions:

b. Prior Wrongful Acts

We will cover a written Claim first made against any of You arising from a Wrongful Act committed between the Retroactive Date and the Effective Date of this Policy, but only if all of the following conditions are met:

(1) The written Claim is first made against any of You during the Policy Period and reported to us as soon as practicable. However, in no event shall any notice be provided later than 7 days after the end of the Policy Period. We will consider a Claim to be first made against You when a written Claim is received by any of You;

(2) None of You knew, after inquiry of Your employees, agents, and clients of Your agents and employees, prior to the Effective Date of the first of one or more errors and omissions policies issued to You by Us or Our affiliates which together provided continuous coverage until the Effective Date of this Policy, of a circumstance that could reasonably be expected to lead to the Claim; and

(3) There is no other valid and collectible insurance for the Claim.

c. Reported Wrongful Acts

We will cover a written Claim first made against any of You after the end of the Policy Period, but only if all of the following conditions are met:

(1) The Wrongful Act is committed between the Retroactive Date and the end of the Policy Period;

(2) We receive written notice from You during the Policy Period of the Wrongful Act. The notice must include all of the following information:

(a) The names of those persons or organizations involved in the Wrongful Act;

(b) The specific person or organization likely to make the Claim;

(c) A description of the time, place and nature of the Wrongful Act; and

(d) A description of the potential Damages;

(3) None of You knew, prior to the Effective Date of the first of one or more errors and omissions policies issued to You by Us or Our affiliates which together provided continuous coverage until the Effective Date of this Policy, of a circumstance that could reasonably be expected to lead to the Claim; and

(4) There is no other valid and collectible insurance for the Claim.
A Claim first made after the end of the Policy Period and arising from a reported Wrongful Act will be covered under the provisions of the Policy in effect on the date We receive the notice of the Wrongful Act.

d. Automatic Extended Reporting Period

If this policy is cancelled or does not renew for any reason other than non-payment of premium or failure to comply with the terms or conditions of this policy, We will provide an automatic, non-cancelable extended reporting period to report Claims made against the insured during the Policy Period, starting at the termination of the Policy Period, but only if the Named Insured has not obtained another policy of real estate professional errors and omissions insurance regardless of the terms and conditions thereof, within sixty (60) days of the termination of the Policy Period. This automatic extended reporting period will terminate after sixty (60) days.

e. Extended Reporting Period

This section describes the provisions and conditions that apply to Claims first made after the end of the Policy Period when You have not reported a Wrongful Act during the Policy Period in accordance with Part 5.C.2.c. above. Such Claims are not automatically covered. To cover them, the First Named Insured must purchase an Extended Reporting Period from Us.

If the First Named Insured purchases an Extended Reporting Period, We will cover a Claim first made against any of You during the Extended Reporting Period, but only if all of the following conditions are met:

1. The Wrongful Act is committed between the Retroactive Date and the end of the Policy Period;
2. None of You knew, prior to the Effective Date of the first of one or more errors and omissions policies issued to You by Us or Our affiliates that provided continuous coverage until the Effective Date of this Policy, of a circumstance that could reasonably be expected to lead to the Claim; and
3. There is no other valid and collectible insurance for the Claim.

We will consider a Claim to be made during the Extended Reporting Period only if written Claim is first received by any of You after the Expiration Date of the Policy Period and prior to the Expiration Date stated in the Extended Reporting Period Endorsement.

The following provisions and conditions also apply to the Extended Reporting Period:

1. If You or We cancel or nonrenew the Policy, and upon request by the First Named Insured, We will sell one of the Extended Reporting Period options listed below, unless We cancel or nonrenew the Policy because:
   a. Any of You failed to pay the premium or retention; or
   b. Any of You failed to comply with the Policy provisions.

Extended Reporting Period options and the respective percentage of Premium, as stated in Item 7. of the Declarations Page. In the case of reporting form coverage, We will annualize reported premium. The premium You must pay to purchase the Extended Reporting Period are:

<table>
<thead>
<tr>
<th>Duration</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Year</td>
<td>125%</td>
</tr>
<tr>
<td>Two Years</td>
<td>150%</td>
</tr>
<tr>
<td>Three Years</td>
<td>175%</td>
</tr>
<tr>
<td>Four Years</td>
<td>200%</td>
</tr>
</tbody>
</table>

Changes or proposed changes in premium or policy provisions shall not be construed as cancellation or nonrenewal of the Policy by Us.

2. We must receive the First Named Insured’s request for the Extended Reporting Period in writing within 30 days after the end of the Policy Period. On receipt and acceptance of the request, We will issue an endorsement showing the Extended Reporting Period in accordance with the option requested by the First Named Insured. At the same time, We will bill the additional premium, and We must receive payment within 30 days after the billing date for the endorsement to be effective.

3. The endorsement shall also include the provisions and conditions applicable to the Extended Reporting Period. Once in effect, the Extended Reporting Period may not be cancelled and the premium therefore is fully earned.
(4) A Claim that is first made during the Extended Reporting Period will be deemed to have been made on the last day of the Policy Period. The provisions of the Policy in effect on the last day of the Policy Period will apply.

(5) The Extended Reporting Period does not reinstate or increase the Limit of Liability.

(6) The Extended Reporting Period does not extend the Policy Period or change the scope of coverage provided.

f. Multiple Claims

All Claims arising from the same Wrongful Act will be deemed to have been made at the earlier of the following times:

(1) The date the first of those Claims is made against any of You; or

(2) The first date We receive Your written notice of the Wrongful Act.

The provisions of the Policy in effect on that date will apply.

D. Limit of Liability, Retention and Reimbursement

1. Limit of Liability

a. Each Wrongful Act

The Each Wrongful Act Limit of Liability stated in Item 5.a. of the Declarations Page is the most We will pay for Damages and Defense Costs combined for the total of all Claims made during the Policy Period and any Extended Reporting Period arising from one Wrongful Act, no matter how many:

(1) Of You this Policy covers;

(2) Claims are made; or

(3) Persons or organizations make Claims.

b. Aggregate

The Aggregate Limit of Liability stated in Item 5.b. of the Declarations Page is the most We will pay for Damages and Defense Costs combined for the total of all Claims made during the Policy Period and any Extended Reporting Period, no matter how many:

(1) Of You this Policy covers;

(2) Claims are made;

(3) Persons or organizations make Claims; or

(4) Wrongful Acts are committed.

c. Absolute Tie-In Limits/Anti-Stacking

The maximum aggregate Limit of Liability under 1) this Policy and 2) any other Errors and Omissions/Professional Liability policy issued by the Company, combined, shall be no more than the largest Limit of Liability stated in item 5.b of the Declarations. This applies for all Damages & Claims Expenses resulting from any Claims made under 1) or 2) above which arise out of the same transactions of Wrongful Acts or series of related or interrelated transactions or Wrongful Acts. Any payment of Damages or Claims Expenses on account of Claims will erode the Limits of Liability of each Policy equally.

2. Retention

A separate Retention applies to each Wrongful Act. The Retention applies to Damages and Defense Costs combined, and Our obligation to pay Damages and Defense Costs applies only to the amount of Damages and Defense Costs in excess of the Retention. The Limit of Liability will not be reduced by the application of the Retention. The amount of Your Retention is stated in Item 6. of the Declarations Page.

3. Reimbursement

If, at Our option, We have paid any amounts for Damages or Defense Costs in excess of the applicable Limit of Liability or if We have paid part or all of any Retention, the Named Insured shall be liable to reimburse such amounts to Us promptly upon demand.
PART 6. DEFINITIONS USED IN THIS POLICY

A. “Application or Renewal Application” means all the following:
   1. The Named Insured’s signed Errors and Omissions Liability Insurance Policy Application;
   2. The Named Insured’s signed Errors and Omissions Liability Insurance Renewal Application, if this is a renewal of a Policy issued by Us; and
   3. All attachments to the Application or Renewal Application and any other information furnished to Us for the purpose of applying for the insurance. All such attachments and information will be kept on file by Us and deemed attached to and a part of the Policy as if physically attached to it.

B. “Bodily Injury” means physical injury, sickness or disease sustained by a person, including death resulting from any of these at any time. Bodily Injury also means disability, emotional distress, mental anguish, mental injury, shock or fright resulting in or from Bodily Injury.

C. “Claim” means a demand for money or for services that alleges a negligent act, error, or omission in the rendering of or failure to render Insured Services. Filing of suit or demand for arbitration or mediation proceeding naming the Insured qualifies as a Claim. Claim does not include actions that seek injunctive or other non-pecuniary relief. Claim does not include any administrative actions before any board or committee or sub-committee thereof.

D. “Damages” means money judgment, award or settlement, except those for which insurance is prohibited by law. Damages do not include fines or penalties; or fees, deposits, commissions or charges for goods or services.

E. “Defense Costs” means expenses incurred by Us or by You with Our consent in the investigation, adjustment, negotiation, arbitration, mediation and defense of covered Claims, whether paid by Us or You with Our consent. Defense Costs include:
   1. Expenses We incur, other than salary or adjustment expenses of Our regular employees or officials or fees and expenses of independent adjusters;
   2. Reasonable and necessary attorney’s fees;
   3. Costs taxed against You in any suit defended by Us and to which this insurance applies;
   4. Pre-judgment interest and the interest on the full amount of any judgment that accrues after entry of the judgment and before We have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit of Liability;
   5. The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable Limit of Liability. We do not have to furnish these bonds; and
   6. Reasonable expenses Incurred by You at Our request other than:
      a. Loss of earnings; and
      b. Salaries or other compensation paid to any of You.

F. “Insured Services” means only those services stated in Item 4. of the Declarations Page.

G. “Named Insured” means:
   1. The person or entity listed in Item 1. of the Declarations Page; and
   2. Any entity which is created or acquired during the Policy Period and which is wholly-owned by another Named Insured. This provision applies only:
      a. To Insured Services performed on or after the date of creation or acquisition of the new Named Insured;
      b. If You advise Us within 60 days of the creation or acquisition and provide reasonable information for Us to evaluate for material changes in conditions which may affect insurance afforded by the Policy; and
      c. If You agree to pay any additional premium We believe is reasonable and necessary as a result of the material changes.
      d. If You are an Individual Licensee or Independent Contractor (whether or not a Natural Person including “Teams”), Named Insured is limited to an independent contractor engaged in the practice of a
professional service as a broker or agent (and unlicensed employees of such duly licensed independent contractor) practicing his or her own profession under the laws and jurisdictions in which he or she practices.

The First Named Insured is the Named Insured first listed on the Declarations Page.

H. "Policy Period" means the period of time stated in Item 2. of the Declarations Page, or any shorter period resulting from Policy cancellation.

I. "Property Damage" means:
   1. Physical injury to tangible property, including all resulting loss of use of that property; or
   2. Loss of use of tangible property that is not physically injured.

J. "Retroactive Date" means the date, if any, stated in Item 3. of the Declarations Page.

K. "Wrongful Act" means the following conduct or alleged conduct by You or any person or organization for whom You are legally liable:
   1. A negligent act, error or omission;
   2. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
   3. Oral or written publication of material that violates a person's right to privacy;
   4. False arrest, detention or imprisonment;
   5. Wrongful entry into or eviction of a person from a room, dwelling or premises that a person occupies; or
   6. Malicious prosecution.

All Wrongful Acts that:
   1. Take place between the Retroactive Date and the end of the Policy Period of the last policy We issue to You, and
   2. Are logically or causally connected by common facts, circumstances, situations, transactions, events and/or decisions will be treated under this Policy as one Wrongful Act.
PART 7. GENERAL CONDITIONS - These conditions apply to the entire Policy.

A. Special Rights and Duties of the First Named Insured

The First Named Insured is responsible for the payment of all premiums and Retentions. The First Named Insured has exclusive authority to act on behalf of all of You with respect to matters relating to this Policy, including:

1. Giving and receiving notice of cancellation and nonrenewal;
2. Receiving refunds;
3. Agreeing to any changes to this Policy; and
4. Purchasing an Extended Reporting Period.

B. What to Do if You Have a Claim or Suit

1. If there is a Claim or a circumstance likely to result in a Claim, You must do the following:
   a. Notify Us in writing as soon as practicable; this notice must:
      (1) Be sent to Us at the address specified in Item 9. of the Declarations Page or via email to claims@cresinsurance.com; and
      (2) Contain details that identify You, the claimant and also reasonably obtainable information concerning the time, place and other details of the Wrongful Act and Claim;
   b. Immediately send Us, at the address specified in Item 9. of the Declarations Page or via email to claims@cresinsurance.com where possible, copies of all demands, notices, summonses or legal papers received in connection with the Claim;
   c. Authorize Us to obtain records and other information;
   d. Cooperate with and assist Us in the investigation, settlement and defense of the Claim; and
   e. Assist Us, upon Our request, in enforcing any rights of contribution or indemnity against another who may be liable to any of You.

2. None of You will, except at Your own cost, voluntarily make a payment, admit liability, assume any obligation or incur any expense without Our prior written consent.

C. Legal Action Against Us

No person or organization has a right under this insurance:

1. To join Us as a party or otherwise bring Us into a suit asking for Damages from any of You; or
2. To sue Us on this insurance unless all of the Policy's provisions have been fully complied with.

A person or organization may sue Us to recover on An Agreed Settlement or on a final judgment against You obtained after an actual trial; but We will not be liable for Damages and Defense Costs that are not payable under the provisions of this insurance or that are in excess of the applicable Limit of Liability. "An Agreed Settlement" means a settlement and release of liability signed by Us, You and the claimant or the claimant's legal representative.

D. Bankruptcy

The bankruptcy or insolvency of You or Your estate will not relieve Us of Our obligation under this insurance. However, this insurance will not apply to liability directly or indirectly due to such bankruptcy, insolvency, receivership or subsequent liquidation.

E. Other Insurance

It other valid and collectible insurance is available to any of You for any Claim We cover, this insurance is excess over such other Insurance, except when the other insurance is purchased by the Named Insured specifically to apply in excess of this insurance and no other insurance exists.

F. Transfer of Rights of Recovery Against Others to Us

You and We may have rights to recover all or part of any payment You or We make under this insurance. If so, those rights are transferred to Us.

You must do nothing to impair such rights. At Our request, You will bring suit or transfer those rights to Us and help Us enforce them. Any recoveries shall be applied as follows:

1. First, to Us up to the amount of Our payment for Damages and Defense Costs;
2. Then, to the First Named Insured as recovery of Retention amounts paid as Damages and Defense Costs.

G. Changes in Policy Provisions; Changes in Your Operations

1. This Policy contains all the agreements between the Named Insured and Us concerning the insurance afforded by this Policy. This Policy's provisions can be amended or waived only by written endorsement issued by Us and made a part of this Policy.

2. This Policy applies only to the Insured Services described in Item 4. of the Declarations Page and Named Insured(s) as defined in the Policy or by endorsement as of the Effective Date of the Policy Period. This Policy shall not apply to any other services or enterprises unless such services or enterprises are added by written endorsement issued by Us and made a part of this Policy. If an endorsement is added, You shall promptly pay any additional premium that may become due.

H. Transfer of Your Rights and Duties Under the Policy

Your rights and duties under this Policy may not be transferred without Our written consent.

I. Cancellation

1. The First Named Insured may cancel this Policy by mailing or delivering to Us or Our authorized representative advance written notice of cancellation.

2. We may cancel this Policy by mailing or delivering to the First Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if We cancel for nonpayment of premium; or
   b. 60 days before the effective date of cancellation if We cancel for any other reason.

We will mail or deliver notice to the address stated in Item 1. of the Declarations Page.

Notice of cancellation will state the effective date of cancellation. The Policy Period will end on that date. If this Policy is canceled, We will send the First Named Insured any premium refund due and the refund will be pro rata, less any minimum premium shortfall and customary short-rate calculation. The cancellation will be effective even if We have not made or offered a refund.

If notice is mailed, proof of mailing will be sufficient proof of notice.

J. Nonrenewal

We may elect to nonrenew this Policy by mailing or delivering to the First Named Insured written notice of nonrenewal at least 60 days before the Expiration Date. We will mail or deliver Our notice to the address stated in Item 1. of the Declarations Page.

K. Representations

By accepting this Policy, You agree:

1. The statements in the Application or Renewal Application for this insurance furnished to Us are accurate and complete;

2. Those statements furnished to Us are representations the Named Insured made to Us on behalf of all of You;

3. Those representations are a material inducement to Us to issue this Policy;

4. We have issued this Policy in reliance upon those representations; and

5. If this Policy is a renewal of a policy issued by Us, Your representations include the representations made in Your original Application, but only as of the Effective Date of the original policy issued by Us or Our affiliates. The representations You make on Your Renewal Application(s) apply as of the Effective Date of Your renewal policy(ies).

IN WITNESS WHEREOF, the insurer has caused this Policy to be executed and attested, but this Policy will not be valid unless countersigned by a duly authorized representative of the insurer, to the extent required by applicable law.
PART 8. ENDORSEMENTS - Required endorsements are attached to the back of this page.
EXTENDED REPORTING PERIOD ENDORSEMENT

Extended Reporting Period From ____________ 12:01 a.m. Standard Time at the Address shown in Item 1 of the Declarations Page to ______________.

Premium:

You and We agree:

1. This endorsement applies to any Wrongful Acts committed by any of You after the Retroactive Date shown in Item 3 of the Declarations Page, and before the expiration or cancellation of this policy. The Wrongful Act must result in a Claim first made against any of You and reported to Us during the Extended Reporting Period stated above.

2. A Claim that is first made during the Extended Reporting Period will be deemed to have been made on the last day of the Policy Period. The provisions of the Policy in effect on the last day of the Policy Period will apply.

3. The aggregate limit of liability is not reinstated.

4. This endorsement does not extend the Policy Period.

5. This endorsement does not apply to Claims that could be insured under any subsequent insurance purchased by any of You whether or not the terms, conditions, exclusions, limitations, deductible(s) or other features are similar to this insurance.

All other terms and conditions of this Policy remain unchanged.
ADDITIONAL INSURED ENDORSEMENT

You and We agree that the following entity or entities is/are included as (an) Additional Insured(s), but only as respects Claims arising out of any negligent act, error, omission or in the rendering of or failure to render Insured Services by any individual or entity specified in Part 4.

All other terms and conditions of this Policy remain unchanged.
CANCELLATION ENDORSEMENT (FLAT)

In consideration of a return premium of , it is understood and agreed that this Policy is cancelled flat effective 12:01 A.M. Standard Time at the Address stated in Item 1. of the Declarations Page.

All other terms and conditions of this Policy remain unchanged.
CANCELLATION ENDORSEMENT (PRO RATA)

In consideration of a return premium of , it is understood and agreed that this Policy is cancelled on a pro rata basis effective 12:01 A.M. Standard Time at the Address stated in Item 1. of the Declarations Page.

All other terms and conditions of this Policy remain unchanged.
CONTINGENT LIABILITY COVERAGE ENDORSEMENT

You and We agree:

If a Claim is made or a suit is brought against You for Damages because of Bodily Injury or Property Damage that is not or would not be covered by a standard general liability coverage form, caused by a negligent act, error, or omission solely in the rendering or failing to render Insured Services for the listing and sale of 1-4 unit residential properties to which this insurance applies, We will:

1. Pay up to $100,000 for the Damages for which You are legally liable.
2. Pay Claims expenses, up to $100,000, by counsel of Our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any Claim or suit that We decide is appropriate. Our duty to settle or defend ends when Our Limit of Liability has been exhausted by payment of a judgment or settlement.

This coverage does not generate a separate Limit of Liability. The Each Wrongful Act and Aggregate Limits of Liability in this Policy are not broadened by this endorsement.

EXCLUSIONS

A. Motor Vehicle Liability
   This coverage does not apply to any Claims arising from the ownership, maintenance, or use of any motor vehicle liability if said motor vehicle is:
   1. Registered for use on public roads or property;
   2. Not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the occurrence;

B. Expected or Intended Injury
   This Policy does not cover Bodily Injury or Property Damage which is expected or intended by an insured even if the resulting Bodily Injury or Property Damage:
   1. Is of a different kind, quality or degree than initially expected or intended; or
   2. Is sustained by a different person, entity, real or personal property, than initially expected or intended;

C. Not Arising Out of Insured Services
   This Policy does not cover Bodily Injury or Property Damage not arising out of or in connection with the Insured Services to which this insurance applies;

D. No Premises Coverage
   This Policy does not cover Bodily Injury or Property Damage arising out of premises:
   1. Owned by You;
   2. Rented to You; or
   3. Rented to others by You;

E. War
   This Policy does not cover Bodily Injury or Property Damage caused directly or indirectly by war, including the following and any consequence of any of the following:
   1. Undeclared war, civil war, insurrection, rebellion or revolution;
   2. Warlike act by a military force or military personnel; or
   3. Destruction, seizure or use for a military purpose.
   Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

F. Communicable Disease
   There is no coverage for Bodily Injury or Property Damage which arises out of the transmission of a communicable disease by You;
G. Sexual Molestation, Corporal Punishment or Physical or Mental Abuse

This Policy does not cover Bodily Injury or Property Damage arising out of sexual molestation, corporal punishment or physical or mental abuse;

H. Controlled Substance

This Policy does not cover Bodily Injury or Property Damage arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician;

I. Owned / Care, Custody, Control

This Policy does not cover Property Damage to property owned by You. This includes costs or expenses incurred by You or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an insured location. Nor does it cover Property Damage to property rented to, occupied or used by or in the care of You. Provided, however, this exclusion does not apply when You are listing, showing and/or conducting an open house for said property. This exclusion also does not apply to Property Damage caused by fire, smoke or explosion;

J. Worker’s Compensation

This Policy does not cover Bodily Injury to any person eligible to receive any benefits voluntarily provided or required to be provided by You under any:

1. Workers’ compensation law;
2. Non-occupational disability law; or
3. Occupational disease law;

K. Bodily Injury to You

This Policy does not cover Bodily Injury to You. This exclusion also applies to any Claim made or suit brought against You:

1. To repay; or
2. Share Damages with another person who may be obligated to pay Damages because of Bodily Injury to You; or

L. Nuclear

This Policy does not cover Bodily Injury or Property Damage for which You are insured under a nuclear energy liability policy issued by the: Nuclear Energy Liability Insurance Association, or successor(s); Mutual Atomic Energy Liability Underwriters or successor(s); Nuclear Insurance Association of Canada or successor(s); or would be an insured under such a policy but for the exhaustion of its limit of liability.

All other terms and conditions of this Policy remain unchanged.
DEFENSE COSTS OUTSIDE LIMIT OF LIABILITY

In consideration of the premium paid, and contrary to any reference otherwise, it is understood and agreed that Defense Costs are subject to a separate Limit of Liability equal to the amount in item 5.a. of the Declarations Page. Payment of Defense Costs shall not erode the Limit of Liability available to pay Damages.

All other terms and conditions of this Policy remain unchanged.
DISCRIMINATION INDEMNITY AND DEFENSE COVERAGE ENDORSEMENT

You and We agree Part 5. B.1.d. is replaced by the following:

d. Discrimination on the basis of age, sex, gender, military service, race, creed, color, religion, handicap, disability or health condition, marital status, national origin, or sexual preference by You, including any Claim resulting therefrom. However, notwithstanding the foregoing, We shall pay both Damages and Defense Costs resulting from any Claim upon which suit may be brought on account of such alleged behavior by You. Our obligation to pay such Damages and Defense Costs shall not exceed the lesser of the Each Wrongful Act limit, shown on the Declarations Page as Item 5, or $1,000,000.00 as a result of any one Claim or all such Claims during the Policy Period.

In no event will the Limit of Liability for Discrimination Indemnity and Defense Coverage exceed the Aggregate Limits of Liability shown on the Declarations Page as Item 5.

We shall not be obligated to pay any Damages and/or Defense Costs or to defend any suit after the applicable sub-limit of Our liability has been exhausted.

All other terms and conditions of this Policy remain unchanged.
FIRST DOLLAR DEFENSE COVERAGE ENDORSEMENT

You and We agree that the Retention stated in Item 6. of the Declarations Page applies to Damages only and there is no Retention that applies to Defense Costs.

All other terms and conditions of this Policy remain unchanged.
AMENDATORY ENDORSEMENT PER TRANSACTION REPORTING ENDORSEMENT

You agree that You shall report and pay for all transactions in which You participate in any of the services listed below during the Policy Period. A transaction report must be submitted for each month listing all transaction sides which closed between the first and the last day of the month. Transactions that are not 1-4 unit residential dwelling units (raw land, for example) count as two transactions.

Commercial, land, residential properties with 5+ units, or transactions with dual representation by the Named Insured count as two transactions.

The total charge for each transaction during this Policy Period shall be as stated below.

<table>
<thead>
<tr>
<th>Premium: $</th>
<th>Per [Activity Type] Transaction Side</th>
</tr>
</thead>
</table>

The minimum amount due per month shall be one (1) transaction payment. The final premium is the rate times the actual number of transactions closed (plus 1 for each month where there are no closings) during the policy period. Transaction reports, premium and transaction charges are due on the fifth day of the following month. We must receive each month’s transaction report, premium and transaction charges by the tenth day of the following month. Late payments are subject to a $15 service charge.

The transaction report and transaction charges shall be sent to Us through:

www.cresinsurance.com
CRES Insurance Services, LLC
PO BOX 847125
LOS ANGELES, CA 90084-7125

Or for overnight payments, please send to:
LOCKBOX SERVICES 847125
ATTN: CRES Insurance Services, LLC
3440 FLAIR DRIVE
EL MONTE, CA 91731

IMPORTANT NOTICE: All transactions (closings) must be reported. We have the right to verify reporting and payment for all transactions prior to establishing coverage for any Claim reported.

All other terms and conditions of this Policy remain unchanged.
REINSTATEMENT OF COVERAGE ENDORSEMENT

You and We agree that the Cancellation Endorsement __________ effective ________ is voided in its entirety. The Policy is reinstated and in effect for the Policy Period.

All other terms and conditions of this Policy remain unchanged.
VARIABLE RETENTION ENDORSEMENT

You and We agree that the Retention on the Declarations Page is modified with respect to Claims arising out of the following described activity(ies):

<table>
<thead>
<tr>
<th>Activity</th>
<th>Retention</th>
</tr>
</thead>
</table>

All other terms and conditions of this Policy remain unchanged.
DECLARATIONS PAGE AMENDMENT ENDORSEMENT
(ADDITIONAL PREMIUM)

In consideration of an additional premium of $ , it is understood and agreed that Declarations Page Item(s) shall be amended as follows:

All other terms and conditions of this Policy remain unchanged.
THIS ENDORSEMENT CHANGES THE REAL ESTATE SERVICES ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY. PLEASE READ IT CAREFULLY.

DECLARATIONS PAGE AMENDMENT ENDORSEMENT (RETURN PREMIUM)

In consideration of a return premium of $ , it is understood and agreed that Declarations Page Item(s) shall be amended as follows:

All other terms and conditions of this Policy remain unchanged.
THIS ENDORSEMENT CHANGES THE REAL ESTATE SERVICES ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY. PLEASE READ IT CAREFULLY.

DECLARATIONS PAGE AMENDMENT ENDORSEMENT

You and We agree Declarations Page Item(s) __________________________ shall be amended as follows:

All other terms and conditions of this Policy remain unchanged.
SPECIFIC LIMIT ENDORSEMENT

You and We agree that the Limit of Liability on the Declarations Page is modified with respect to Claims arising out of the following described Activity(ies):

<table>
<thead>
<tr>
<th>Activity</th>
<th>Sublimit of Liability</th>
</tr>
</thead>
</table>

The Sublimit of Liability does not increase the Limit of Liability set forth in Item 5.b. of the Declarations Page and in no event will the combined Sublimit(s) of Liability exceed the Limit of Liability.

We shall not be obligated to pay any Defense Costs or to defend any suit after the applicable Sublimit of Liability has been exhausted.

All other terms and conditions of this Policy remain unchanged.
REGULATORY COMPLIANCE AMENDATORY ENDORSEMENT

The terms and conditions of this Policy are amended and liberalized to any extent necessary to comply with ordinances, rules, or regulations of the [Real Estate Commission] with the respect to coverage afforded any Licensee so that this coverage complies with the state compulsory errors and omissions rules and include, at a minimum, the coverage of their procured Group Errors and Omissions policy.

All other terms and conditions of this Policy remain unchanged.
NOTICE OF CANCELLATION OR NON-RENEWAL

INSURANCE COMPANY:
NAME AND ADDRESS OF FIRST NAMED INSURED:

TYPE OF POLICY:
POLICY NUMBER:
CANCELLATION OR EXPIRATION WILL TAKE EFFECT ON:

DATE OF MAILING:
ISSUED THROUGH AGENCY AT: CRES INSURANCE SERVICES, LLC
P. O. BOX 29502 #69121
LAS VEGAS, NV 89126-9502

CANCELLATION: ( ) Reason(s):
You are hereby notified in accordance with the terms and conditions of the above-mentioned policy, and in accordance with the law, that Your insurance will cease at and from the hour and date mentioned above.

REINSTATEMENT OF POLICY: ( )
You can avoid the Cancellation of the above-mentioned policy by tendering the payment due and submitting a completed Claims Free Warranty letter on or before the Cancellation date set forth above. These documents must be received by CRES before the Cancellation date and time set forth above.

NON-RENEWAL ( ) Reason(s):
You are hereby notified in accordance with the terms and conditions of the above-mentioned policy, and in accordance with the law, that the above-mentioned policy will expire effective at and from the hour and date mentioned above and the Policy will NOT be renewed.

CERTIFICATION OF MAILING:
I hereby certify that I personally mailed by the United States Postal Service in San Diego, CA on the date stated below, a Notice of Cancellation or Non-Renewal of the policy to the First Named Insured.

Signed this day of

Signature: ________________________________
THIS ENDORSEMENT CHANGES THE REAL ESTATE SERVICES ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY. PLEASE READ IT CAREFULLY.

SELLER'S PROTECTION PLAN COVERAGE ENDORSEMENT

Coverage under this Policy is hereby extended to each of the Named Insured's Sellers under the terms and conditions of the SELLERS PROTECTION PLAN, which is part of this document.

The Limit of Liability for this coverage is $25,000 per completed contract. A Retention of $2,500 per Claim applies to the Seller.

All other terms and conditions of this Policy remain unchanged.
Sellers Protection Plan Endorsement

Throughout this endorsement, the terms “We”, “Us”, and “Our” refer to the Insurance Company named on the Declarations of the policy to which this endorsement applies. This coverage is provided to the Named Insured for the benefit of the seller. We agree with the seller as follows:

I. DEFINITIONS:

When used in this policy, the following terms displayed in “bold face type” will only have the meaning as stated herein.

**Bodily injury** means bodily harm, sickness or disease, mental or emotional distress, including death resulting therefrom.

**Buyer** means the entity or entities identified as the purchaser of residential property by way of a completed contract.

**Claim** means the receipt by the seller of a demand for money arising out of a covered circumstance that results from the direct sale of residential property.

**Completed contract** means a binding contract for the sale of residential property, the seller of which was represented by an insured under this policy, where the transaction for such sale has closed. All documents relating to the transfer of title to such residential property must have been duly recorded.

**Coverage period** means 180 consecutive days beginning on the date the transaction evidenced by the completed contract closed. The seller can elect to extend coverage for an additional 180 days, for a total coverage of 360 days by purchasing this option at the time of closing.

**Covered circumstance** means a lawsuit, arbitration or mediation proceeding, or alternate dispute resolution proceeding to which the seller submits, with our consent, instituted against the seller by the buyer, resulting from actual or alleged undisclosed defects in residential property.

**Damage** means physical injury to or destruction of tangible property, including all resulting loss of use of that property.

**Defense Costs** means fees charged by any attorney, and all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a claim, if incurred by us or by the seller with our written consent. Defense costs do not include salaries of our employees or officers, or fees and expenses of independent adjusters retained by us.

**Injury** means bodily injury and personal injury.

**Named Insured** means the individual or firm named on the Declarations as the named insured.

**Personal injury** means injury or damage sustained by any person or organization caused by, based upon, or arising out of false arrest, detention, or imprisonment; malicious prosecution or humiliation; written or oral publication of material that libels, slanders, or disparages the goods, products, or services of others; or wrongful entry or eviction or other invasion of the right of privacy.

**Pollutants** means any solid, liquid, gaseous, or thermal irritant or contaminant including radon, asbestos, lead, smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

**Residential property** means a single-family dwelling, condominium or townhome owned and occupied by the seller, or which is temporarily unoccupied for fewer than ninety (90) days prior to the date of a completed contract and sold to the buyer.

**Seller** means the entity or entities identified as the seller of residential property in a completed contract.

II. COVERAGE AGREEMENT

We will pay on behalf of the seller, all amounts, including defense costs, up to our limit of liability and in excess of the applicable deductible, which the seller becomes legally obligated to pay as a result of a covered circumstance. The covered circumstance must occur and claim must be made against the seller and reported to the Company within the coverage period.

All claims arising out of the same or interrelated covered circumstance shall be subject to the one limit of liability, regardless of the number of claims made or claimants bringing them.

We have the right and will defend any claim, even if any of the charges of the claim are groundless, false or fraudulent. We will investigate and make settlement of any claim that we deem appropriate.
III. EXCLUSIONS

This endorsement does not apply to any claim for, based upon or arising out of any:

1. covered circumstance from which, prior to the date of a completed contract the seller knew or could reasonably expect that a claim would arise;

2. loss, cost or expense, under any circumstances, due to nuclear reaction, radiation, or contamination or pollutants, regardless of cause;

3. intentional, dishonest or fraudulent act committed, in fact, by or on behalf of the seller to effectuate the sale of residential property;

4. claim made by or on behalf of the seller and/or buyer against the named insured, any employee of, or other individual retained by the named insured, resulting from professional services rendered or failed to be rendered by or on behalf of the named insured;

5. class action suit;

6. counter-claim, cross-complaint or similar action instituted against the buyer by the seller;

7. multiplication of amounts payable under this policy imposed by law; punitive or exemplary amounts; or, any matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed;

8. actual or alleged violation of the Employees Retirement Income Security Act of 1974, Public Law 93-406, commonly referred to as the Pension Act of 1974, or any Federal, State or Local Statutory Law or Common Law, or any of their amendments;

9. actual or alleged anti-trust law violation or agreement or conspiracy to restrain trade;

10. escrow amounts in connection with any completed contract;

11. fluctuation in market value, or condition, performance or suitability for use of any residential property;

12. failure to procure or maintain adequate insurance or bonds prior to the date of a completed contract;

13. damage to residential property known to have been sustained subsequent to the date of a completed contract.

14. injury, or damage to property not forming a part of the residential property;

15. contract or agreement for the assumption of liability to pay for known damage to any residential property;

16. actual or alleged discrimination, including but not limited to discrimination based on the religion, race, national origin, creed, sex, age, marital status, handicap or sexual preference.

IV. LIMIT OF LIABILITY / DEDUCTIBLE

The Limit of Liability is $25,000 per seller, per completed contract and is the total limit of our liability for all claims arising out of, or in connection with, the same or interrelated covered circumstance, regardless of the number of claims made or claimants.

The limit of liability applies collectively for all entities named as seller. This limit of liability applies regardless of the number of persons or organizations who qualify for coverage under this policy as seller.

Our obligation to pay as a result of a claim and defense costs is in excess of the applicable amount of the deductible of $2,500. The seller agrees to pay all amounts up to the amount of such deductible. Payment of the deductible or portions thereof, shall be made by the seller as defense costs are incurred or a payment for claim is made.

Defense costs are included within the Limit of Liability. The amount we will pay for all defense costs shall not exceed the limit of liability stated on the Endorsement. Defense costs are not payable under this policy until all other insurance available to the seller for defense costs, if applicable, has been exhausted.

V. CONDITIONS

A. Duties In The Event Of A Claim

If the seller receives notice of a claim during the coverage period, the seller must immediately give written notice to us. Notice given by or on behalf of the seller, or notice given by or on behalf of the buyer, to any of our licensed insurance agents or insurance brokers in this state, with particulars sufficient to identify the seller, shall be deemed notice to us.

The seller agrees to fully cooperate with us or our designee in the investigation, making of settlements, conduct of suits or other proceedings, or enforcing any right of contribution or indemnity against another who may be liable to the seller because of such covered circumstance.
The **seller** also agrees to immediately forward all documents received in connection with the **claim** to us, attend hearings and trials, assist in securing and giving evidence and obtaining the attendance of witnesses, and refuse, except at their own cost, to settle any **claim** voluntarily make any payments, assume any obligation or incur any expense without our prior written consent.

B. Legal Action Limitation

Any legal action against us concerning this policy cannot be brought by the **seller** unless they have fully complied with all the provisions of this policy, and the amount of their obligation to pay has been decided. Such amount can be decided by final judgment against such **seller** or by written agreement between the **seller**, us and the claimant. Such action must be brought within three years.

No individual or entity has any right under this policy to include us in any action against the **seller** to determine their liability, nor will the seller or their representative bring us into such an action.

C. Transfer of Rights of Recovery

If we make any payment under this policy, we shall be subrogated to all rights of recovery of the **seller** against any person or organization. The **seller** shall execute and deliver all instruments and papers and do whatever is necessary to secure such rights. The **seller** shall do nothing to prejudice such rights.

D. Transfer of Interest

This policy is not transferable or assignable unless the **seller** dies or is adjudged incompetent. If either event occurs, the policy will continue for the remaining part of the **coverage period**, first, for the benefit of their legal representative while acting within the scope of such duties, and second for the benefit of anyone having proper temporary custody of the **residential property** until a legal representative is appointed.

E. Changes

Notice to any real estate agent or knowledge possessed by any such real estate agent or any other person who is not our real estate agent shall not act as a waiver or change in any part of this endorsement. This restriction does not apply to the insurance agent. It also will not prevent us from asserting any rights under the provisions of this endorsement. None of the provisions of this endorsement will be waived, changed or modified except by written endorsement issued to form a part of this policy.

F. Other Insurance

If the **seller** has other valid and collectible insurance which applies to the **claim**, this insurance shall be excess over any other insurance, self-insurance, self-insured retention or similar programs, whether primary, excess, contingent or on any other basis.

G. Premium/Cancellation

The premium for this coverage shall be deemed fully earned and non-refundable upon payment.

H. Bankruptcy/Insolvency

The bankruptcy or insolvency of the **seller** or the estate of the **seller** shall not relieve us of any of our obligations under this policy.

I. Misrepresentation/Fraud

This policy shall not provide coverage as a result of any fraud or misrepresentation by the **seller** or **named insured** to obtain coverage under this policy, or, if any **claim** is submitted with intent to defraud.
BROAD FORM REAL ESTATE SERVICES

You and We agree:

A. Reimbursement of Expenses

   We will reimburse You up to $750.00 a day, subject to a maximum of $50,000.00 per Policy Period, for Your actual loss of earnings for attendance, at Our request, at a trial, hearing, mediation or arbitration involving a covered Claim against You. The maximum amount payable per Claim, regardless of the number of trials, hearings, mediations or arbitrations proceedings or number of insureds shall be $10,000.00.

B. Disciplinary Proceedings

   We will reimburse You up to $20,000.00 per disciplinary proceeding, subject to a maximum of $50,000.00 per Policy Period, for reasonable attorneys’ fees and other necessary costs, expenses or fees resulting from the investigation or defense of a proceeding before a real estate licensing board as a result of an act or omission in the performance of insured services by You during the Policy Period. We must receive notice of the investigation or proceeding within 14 days of receipt to be eligible for reimbursement. The Retention applies to this coverage.

C. Public Relations Advisory Services

   We will reimburse You up to $25,000.00 per Public Relations Event, subject to a maximum of $50,000.00 per Policy Period, for reasonable Public Relations Expenses incurred by the Named Insured for advisory services provided by a public relations firm to the Named Insured as a result of a Public Relations Event which occurs during the Policy Period.

   Public Relations Event means:

   1. incapacitation, life threatening illness or death of any partner, member, officer, director, or sole proprietor - owner
   2. compulsory dissolution of the Named Insured.
   3. violent act, kidnapping, sexual assault, criminal firearm use, or workplace accident resulting in negative regional or national media coverage of the Named Insured.

   Public Relations Expenses means reasonable fees and expenses incurred by the Named Insured for advisory services provided

D. Subpoena Assistance

   We will reimburse You expenses incurred in responding to a subpoena that You first receive and report in writing to Us during the Policy Period resulting from the performance of insured services by You. We will reimburse up to $30,000.00 in expenses per subpoena. All subpoenas arising out of related claims shall constitute a single subpoena for the purposes of this section. We must be notified within 14 days of receipt of the subpoena for this coverage to apply.

E. First Party Cyber Liability Coverage

   We will reimburse the Named Insured up to $50,000.00 per Policy Period for the cost of hiring a third-party consultant or adviser approved by Us, including client notification costs, to mitigate the potential for Claims arising from an actual security breach which results in the loss or theft of confidential client information. We shall have the right to conduct client notification before reimbursing costs.

   Coverage shall be excess of and provide the same terms and conditions as all valid and collectible first party cyber liability coverage provided to You under any specific policy, Business Owners Policy or similar property coverage.

F. Not-for-Profit Directors Coverage

   We will reimburse the Owner/Broker of the Named Insured up to $15,000.00 per claim or $30,000.00 per Policy Period for Damages or Defense Costs arising out of the Owner/Broker’s activities as a Director or Officer of a Not-for-Profit Organization, provided that such activities have been previously disclosed to the Company in writing and accepted by the Company.

   Coverage shall be excess of all valid and collectible Directors’ and Officers’ Liability Insurance, which has been issued to the Not-for-Profit Organization.
Not-for-Profit Organization means an entity which qualifies as a nonprofit organization under Section 501(c)(3), (c)(4), (c)(6) or (c)(7) of the Internal Revenue Code of 1986, including amendments thereto. As used herein, Not-for-Profit Organization shall not include the Named Insured or any client of the Named Insured.

Owner/Broker means any natural person who has an ownership interest in the Named Insured.

All other terms and conditions of this Policy remain unchanged.
AMENDATORY ENDORSEMENT EXCESS COVERAGE

You and We agree:

Part 7. GENERAL CONDITIONS, Section E. Other Insurance is replaced by the following:

This insurance is specifically excess over any other insurance, whether primary, excess, contingent, or on any other basis. This insurance does not apply until any [other / individual licensee's] insurance that covers any insured is completely exhausted. In no event will this coverage apply or be for a greater proportion of the Damages or Claim Expenses than the applicable Limits of Liability or Sublimits of Liability under this policy, for such Damages bears to the total applicable Limits of Liability and Sublimits of Liability of all valid and collectible insurance against such Claims.

All other terms and conditions of this Policy remain unchanged.
AGENT, PROPERTY AND EVENT EXCLUSION

You and We agree Part 5.B.1. is amended by the addition of the following:

[ ] Any transaction conducted in any way, in whole or in part, by the following:
   [Agent Name & License #]

[ ] Anything related to the property located at:
   [Property Address]

[ ] Anything related to the event of:
   [Event details]

All other terms and conditions of this Policy remain unchanged.
ADDITIONAL NAMED INSURED ENDORSEMENT

In consideration of the premium charged, it is hereby understood and agreed that this Policy is amended as follows:

Item 1 of the Declarations Page, “Named Insured”, is amended by adding the following, for insured services performed between the listed coverage dates:

Entity Type:

Named Insured:

Retroactive Date:

Ending Coverage Date:

Notes:

All other terms and conditions of this Policy remain unchanged.
CHOICE OF COUNSEL ENDORSEMENT

In consideration of the premium charged, it is hereby understood and agreed that this Policy is amended as follows:

If a lawsuit is filed as a result of a Claim, the following attorney(s) has/have been chosen by the Named Insured and approved by the Insurer to defend the Insured pursuant to all of the terms and conditions of this policy.

As a stipulation to the Insurer’s approval, the attorney below has agreed to defend the Insured subject to the approved billing rates and pursuant to the CRES Litigation Guidelines.

Attorney’s Name:
Firm Name:
Firm Address:
Firm Phone Number:

Approved Hourly Billing Rates

Partner: $
Associate: $
Blended: $
Paralegal: $

Failure to comply with the CRES Litigation Guidelines immediately voids this endorsement.

All other terms and conditions of this Policy remain unchanged.
POLLUTION COVERAGE ENDORSEMENT

In consideration of the premium charged, You and We hereby agree that this Policy is amended as follows:

The phrase "Pollution Coverage Sublimit of Liability: $100,000" in Part 5. Insuring Agreements and Exclusions, section B. What We Do Not Insure – Exclusions, subsection 1.m. is deleted in its entirety and the following is inserted:

Pollution Coverage Sublimit of Liability: $[500,000 or 1,000,000]

All other terms and conditions of this Policy remain unchanged.
PACIFIC MONARCH INSURANCE CO.

POLICY NUMBER: 

HDI-0412 (0818)

THIS ENDORSEMENT CHANGES THE REAL ESTATE SERVICES ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY. PLEASE READ IT CAREFULLY.

RETENTION REDUCTION - RISK MANAGEMENT PRACTICES ENDORSEMENT

You and We agree:

A. Retention Reduction – With Required Criteria Met

In the event of a covered claim, we will reduce your Retention amount up to $5,000 as long as the following criteria applies as part of the transaction/closing:

1. $2,500 for a qualified, comprehensive home warranty was placed on the property.
   
   Qualified, comprehensive home warranty is one placed with a warranty company approved by the state insurance department that offers the following coverage options: structural, sewage ejector pump, plumbing regulator, septic pumping, and doorbell. If any of these are forbidden due to state law, an alternative option may be substituted, if approved prior to the warranty being placed. First party warranties or other un-filed "service contracts" do not constitute approved home warranties.

   and/or

2. $2,500 if a comprehensive permit report was provided to the buyer.
   
   Comprehensive permit reports are documentation of the building permit history of the property that is the subject of the claim in question which includes information on sewer/septic permits, where available, and the option to purchase a claims/litigation history report.

   The Retention will be reduced only when the qualifying item(s) are ultimately paid for by the real estate broker or salesperson in conjunction with that particular transaction/closing.

B. Retention Reduction – Settlement Prior to Litigation or Arbitration

In the event of a covered claim, we will reduce your Retention amount by 50% if the claim is settled prior to litigation or arbitration.

Litigation means the process of resolving disputes by filing or answering a compliant through the public court system.

Retention reduction will never “reduce” the retention to less than zero.

All other terms and conditions of this Policy remain unchanged.
RENOVATION SERVICES COVERAGE ENDORSEMENT

You and We agree that the Policy is amended as follows:

1. Part 1. Declarations Page, Item 4. Insured Services is amended to include Renovation Services:

   The definition of Renovation Services are the following services provided in connection with the renovation and/or reconstruction of residential or commercial property provided that all necessary licenses or certifications are held by You at the time of the act or omission giving rise to the claim:
   a. management of facility renovation and reconstruction plans;
   b. development and management of renovation and reconstruction contracts and subcontracts; or
   c. development of loss control and risk management plans in connection with the reconstruction or renovation.

2. Part 5. B. What We Do Not Insure – Exclusions is amended to add the following new exclusions: We will not defend or pay any Claim:

   a. based on or arising out of the rendering or failure to render:
      i. advice on financing for the payment of any portion of any renovation and reconstruction plans;
      ii. estimates or statements of probable renovation and reconstruction costs;
   b. based on or arising out of faulty workmanship rendered by an Insured’s contractors or subcontractors including materials, parts or equipment furnished or supplied by the Insured;
   c. based on or arising out of construction means, methods, techniques, sequences or procedures in connection with any renovations or reconstruction;
   d. based on or arising out of implementation and management of any loss control or risk management plans.
   e. Based on or arising out of implementation and management of services that can only be provided by a licensed architect or general contractor.

All other terms and conditions of this Policy remain unchanged.
AGENT OWNED PROPERTY ENDORSEMENT

You and We agree, Part 5.B. What We Do Not Insure - Exclusions, 1.n. is replaced by the following:

n. Services involving property in which any of You have or had, or will have an ownership or equity interest, either direct or indirect, as an individual, partner, shareholder or fiduciary.

This exclusion does not apply to Claims involving:

1. the actual or attempted sale (not purchase) of real property that any of You did not construct or develop and in which any of Your combined ownership interest at the time of such sale was less than 25%; or

2. the leasing of real property in which any of You had a combined ownership interest that was less than 50% at the time the professional real estate services were rendered; or

3. the actual or attempted sale (not purchase), leasing, or property management of residential property by any of You who are or were not the owner of such residential property; or

4. the sale (not purchase) of residential property wholly or partially owned by You, Your spouse or Your domestic partner; or

5. the actual or attempted sale (not purchase) of real property 100% owned by any of You if the property was acquired by You under a written guaranteed sale listing contract, and from acquisition to resale the title to the property was held by You for less than twelve months, and the property was continually offered for sale by You.

All other terms and conditions of this Policy remain unchanged.
AGENT OWNED PROPERTY WITH CONSTRUCTION/DEVELOPMENT SUBLIMIT

You and We hereby agree that the Policy is amended as follows:

1. Part 5.B. What We Do Not Insure - Exclusions, 1.n. is replaced by the following:

   n. Services involving property in which any of You have or had, or will have an ownership or equity interest, either direct or indirect, as an individual, partner, shareholder or fiduciary.

   This exclusion does not apply to Claims involving:

   1. the actual or attempted sale (not purchase) of real property that any of You did not construct or develop and in which any of Your combined ownership interest at the time of such sale was less than 25%; or

   2. the leasing of real property in which any of You had a combined ownership interest that was less than 50% at the time the professional real estate services were rendered; or

   3. the actual or attempted sale (not purchase), leasing, or property management of residential property by any of You who are or were not the owner of such residential property; or

   4. the sale (not purchase) of residential property wholly or partially owned by You, Your spouse or Your domestic partner;

   5. the actual or attempted sale (not purchase) of real property 100% owned by any of You if the property was acquired by You under a written guaranteed sale listing contract, and from acquisition to resale the title to the property was held by You for less than twelve months, and the property was continually offered for sale by You; or

   6. solely with respect to the business entity(ies) listed in the Schedule below, the actual or attempted sale (not purchase) of real property by any of You which is developed or constructed by a business entity (other than a business entity named on the Declarations Page) owned by any of You.

   SCHEDULE
   a. ____________________________
   b. ____________________________

2. With respect to any Wrongful Act where coverage is granted exclusively under subparagraph 6 of Part 5.B. What We Do Not Insure - Exclusions, 1.n., a separate sublimit shall apply:

   Construction/Development Limit of Liability: $ ________________

   The “Construction/ Development Limit of Liability” as set forth above is a single combined sub-limit of liability for both damages and claims expenses and is included within, and not in addition to, “Limit of Liability - Aggregate” stated on the Declarations Page.

3. With respect to any Wrongful Act where coverage is granted exclusively under subparagraph 6 of Part 5.B. What We Do Not Insure - Exclusions, 1.n., a separate retroactive date shall apply:

   Construction/ Development Retroactive Date: ________________

All other terms and conditions of this Policy remain unchanged.
AGENT OWNED PROPERTY WITH CONSTRUCTION/DEVELOPMENT SUBLIMIT

You and We hereby agree that the Policy is amended as follows:

1. **Part 5.B. What We Do Not Insure - Exclusions, 1.n.** is replaced by the following:

   n. Services involving property in which any of You have or had, or will have an ownership or equity interest, either direct or indirect, as an individual, partner, shareholder or fiduciary.

   This exclusion does not apply to Claims involving:

   1. the actual or attempted sale (not purchase) of real property that any of You did not construct or develop and in which any of Your combined ownership interest at the time of such sale was less than 25%; or

   2. the leasing of real property in which any of You had a combined ownership interest that was less than 50% at the time the professional real estate services were rendered; or

   3. the actual or attempted sale (not purchase), leasing, or property management of residential property by any of You who are or were not the owner of such residential property; or

   4. the sale (not purchase) of residential property wholly or partially owned by You, Your spouse or Your domestic partner;

   5. the actual or attempted sale (not purchase) of real property 100% owned by any of You if the property was acquired by You under a written guaranteed sale listing contract, and from acquisition to resale the title to the property was held by You for less than twelve months, and the property was continually offered for sale by You; or

   6. the actual or attempted sale (not purchase) of real property by any of You which is developed or constructed by a business entity (other than a business entity named on the Declarations Page) owned by any of You.

2. With respect to any Wrongful Act where coverage is granted exclusively under subparagraph 6 of Part 5.B. What We Do Not Insure - Exclusions, 1.n., a separate sublimit shall apply:

   Construction/Development Limit of Liability: $ ________________

   The “Construction/ Development Limit of Liability” as set forth above is a single combined sub-limit of liability for both damages and claims expenses and is included within, and not in addition to, “Limit of Liability - Aggregate” stated on the Declarations Page.

3. With respect to any Wrongful Act where coverage is granted exclusively under subparagraph 6 of Part 5.B. What We Do Not Insure - Exclusions, 1.n., a separate retroactive date shall apply:

   Construction/ Development Retroactive Date: ________________

All other terms and conditions of this Policy remain unchanged.
CONSUMER FINANCIAL PROTECTION BUREAU DEFENSE COST SUBLIMIT OF LIABILITY

You and We agree:

A. Consumer Financial Protection Bureau Defense Cost Sublimit of Liability

Subject to the Retention set forth in the Declarations, We will reimburse You up to $150,000 per Policy Period for Defense Costs incurred in responding to a CFPB Matter (“Consumer Financial Protection Bureau Defense Cost Sublimit of Liability”), provided that:

1) the CFPB Matter arises out of a Wrongful Act committed on or subsequent to the Retroactive Date and before the end of the Policy Period and is reported to the Insurer during the Policy Period; and

2) the CFPB Matter commences against You on or after the effective date and prior to the expiration of the Policy Period or any Extended Reporting Period.

The Consumer Financial Protection Bureau Defense Cost Sublimit of Liability shall be the maximum aggregate Limit of Liability the Insurer will pay, regardless of the number of CFPB Matters or the number of insureds. The Consumer Financial Protection Bureau Defense Cost Sublimit of Liability shall not apply to any Damages, including sums or amounts paid or owed to the CFPB, or any judgment, award, settlement, fines or penalties. Any payments made under the Consumer Financial Protection Bureau Defense Cost Sublimit of Liability shall be included in the Aggregate Limit of Liability and not in addition thereto.


CFPB Matter means:

a. a subpoena issued upon You by the CFPB, pursuant to Section 1052 of the Act, for attendance, testimony of witnesses or production of documents or other materials;

b. a civil investigative demand, issued pursuant to Section 1052 of the Act, received by You from the CFPB;

c. a hearing or adjudication proceeding with respect to You conducted by the CFPB pursuant to Section 1053 of the Act; or

d. any civil action commenced pursuant to Section 1054 of the Act by the CFPB against You, including any appeal therefrom.

All other terms and conditions of this Policy remain unchanged.
PRIVACY AND NETWORK SECURITY EVENT COVERAGE ENDORSEMENT

You and We agree that the Policy is amended as follows:

1. The first paragraph of Part 5. INSURING AGREEMENTS AND EXCLUSIONS, subpart A. What We Insure, is deleted in its entirety and the following is inserted:

   A. What We Insure

      1. We will pay on Your behalf those sums in excess of the Retention and up to [Limit of Liability in Part 1. DECLARATIONS PAGE, subpart 5. item a.] that You become legally obligated to pay as Damages or Defense Costs on account of a Claim for a Wrongful Act resulting from the performance of Insured Services for anyone other than You.

      2. We will pay on Your behalf those sums in excess of the Retention and up to [Cyber Enhancement Limit: $50,000 or $100,000 or $250,000] that You become legally obligated to pay as Damages or Defense Costs on account of a Claim resulting from a Wrongful Act.

   We have the right and duty to appoint an attorney and defend any Claim to which this insurance applies, even if the allegations are groundless, false or fraudulent. You may engage additional counsel, solely at Your expense to associate in their defense of any Claim covered hereunder.

2. Part 5. INSURING AGREEMENTS AND EXCLUSIONS, subpart B. What We Do Not Insure - Exclusions, paragraph b., is amended to add the following:

   Provided however, this exclusion shall not apply to any Claim involving misappropriation of a trade secret resulting from a Network Security Event which is otherwise covered under Part 5. INSURING AGREEMENTS AND EXCLUSIONS, subpart A. What We Insure, paragraph 2.

3. Solely with respect to Part 5. INSURING AGREEMENTS AND EXCLUSIONS, subpart A. What We Insure, paragraph 2, Part 5. INSURING AGREEMENTS AND EXCLUSIONS, subpart B. What We Do Not Insure - Exclusions, is amended to add the following:

   • any actual or alleged transfer of any fund, money or security;
   • the unauthorized or unlawful collection, acquisition or use of Personal Information or Corporate Information by You or the failure to provide adequate notice that such information is being collected;
   • false or deceptive advertising;
   • any action brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, the Securities and Exchange Commission or any other federal, state or local government agency, or The American Society of Composers, Authors and Publishers, Broadcast Music, Inc., The Recording Industry Association of America, The Society of European Stage Authors and Composers or other licensing or rights organizations, in any such organization's regulatory, quasi-regulatory, or official capacity, function or duty;
   • any court order or demand requiring You to provide law enforcement, judicial, administrative or regulatory body or other governmental authority access to Personal Information or Corporate Information;
   • any electrical or mechanical failure or interruption, including any electrical disturbance, surge, spike, brownout or blackout, and any outage to gas, water, telephone, cable, satellite, telecommunications or other infrastructure;
   • the creating, preparing, producing, gathering, collecting, researching, serializing, broadcasting, disseminating, releasing, publishing, distributing, exhibiting, performing, printing or licensing of Material, or any Material created by or on behalf of You to advertise, publicize, promote or sell media, including any Material created by or on behalf of You for any social media platform, provided that this Exclusion shall not apply to a Privacy Event;
   • any price discounts, awards, coupons, prizes or other valuable consideration given in excess of the contracted or expected amount;
   • any violation of the Organized Crime Control Act of 1970;
any seizure, confiscation, destruction or nationalization of a **Computer System** by order of any governmental agency or public authority;

- war, whether or not declared, civil war, insurrection, rebellion or revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization or any act or condition related to any of the foregoing;
- **Your** theft of money or securities;
- **Your** intentional failure to disclose the loss of **Personal Information** in violation of any law or regulation;
- any failure, interruption or outage to Internet access service provided by the Internet service provider that hosts **Your** website, if applicable, unless such infrastructure is under **Your** operational control;

4. **Part 6. DEFINITIONS USED IN THIS POLICY**, subpart C. “Claim” is deleted in its entirety and the following is inserted:

   C. “Claim” means:

   a. Solely with respect to **Part 5. INSURING AGREEMENTS AND EXCLUSIONS**, subpart A. What We Insure, paragraph 1, **Claim** means a written demand for money or services that alleges a negligent act, error, or omission in the rendering or failure to render **Insured Services**. Filing a suit or demand for arbitration or mediation proceeding named the Insured qualifies as a **Claim**. **Claim** does not include actions that seek injunctive or other non-pecuniary relief. **Claim** does not include any administrative actions before any board or committee or sub-committee thereof.

   b. Solely with respect to **Part 5. INSURING AGREEMENTS AND EXCLUSIONS**, subpart A. What We Insure, paragraph 2, **Claim** means: (1) a demand for monetary or non-monetary relief, including a demand for arbitration, mediation or waiving or tolling of the statute of limitations; and (2) a civil proceeding, evidenced by the service of a complaint or similar pleading; against **You**.

5. **Part 6. DEFINITIONS USED IN THIS POLICY**, subpart K. **Wrongful Act**, is deleted in its entirety and the following is inserted:

   K. “Wrongful Act” means:

   a. Solely with respect to **Part 5. INSURING AGREEMENTS AND EXCLUSIONS**, subpart A. What We Insure, paragraph 1, **Wrongful Act** means the following conduct or alleged conduct by **You** or any person or organization for whom **You** are legally liable:

      1. A negligent act, error or omission;
      2. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
      3. Oral or written publication of material that violates a person's right to privacy;
      4. False arrest, detention or imprisonment;
      5. Wrongful entry into or eviction of a person from a room, dwelling or premises that a person occupies; or
      6. Malicious prosecution.

   b. Solely with respect to **Part 5. INSURING AGREEMENTS AND EXCLUSIONS**, subpart A. What We Insure, paragraph 2, **Wrongful Act** means a **Network Security Event** or a **Privacy Event**.

   All **Wrongful Acts** that:

   1. Take place between the **Retroactive Date** and the end of the **Policy Period** of the last policy **We** issue to **You**, and
   2. Are logically or causally connected by common facts, circumstances, situations, transactions, events and/or decisions will be treated under this Policy as one **Wrongful Act**.

6. **Part 6. DEFINITIONS USED IN THIS POLICY**, is amended to add the following:

   - **Computer System** means computer software, middleware, firmware, hardware, applications, tools, programs, codes, scripts, websites, associated call centers, cloud computing and the data stored thereon, as well as associated input and output devices, data storage devices, wireless and mobile devices, networking equipment, storage area network, or other electronic data backup facilities leased, owned, licensed or operated by **You**.

   - **Corporate Information** means any proprietary or confidential corporate information in any format that cannot be lawfully obtained or known by the general public, including customer lists, trade secrets and financial information that are provided to **You** by a third party.
• **Electronic Data** means any data, text, sounds, images or similar matter, including **Corporate Information** or **Personal Information**, that exists on a **Computer System** and is subject to scheduled back-up procedures and security protections.

• **Malicious Code** means the unauthorized corrupting of software, including computer viruses, Trojan Horses, keystroke loggers, cookies, spyware, adware, worms, and logic bombs, that successfully corrupts or impairs a **Computer System**.

• **Material** means the content of any communication, regardless of its nature or form or the medium by which such content is communicated.

• **Network Security Event** means Your failure to prevent the breach of a **Computer System** that results in
  1. the theft, corruption, or deletion of **Electronic Data** from such **Computer System**;
  2. the **Unauthorized Access** to or **Unauthorized Use** of such **Computer System**;
  3. the denial of an authorized user's access to such **Computer System**, unless such denial of access is caused by a mechanical or electrical failure outside Your control;
  4. the transmission of **Malicious Code** from such **Computer System**; or
  5. a denial of service attack emanating from such **Computer System**.

• **Personal Information** means any information not available to the general public from which an individual may be identified, including an individual's name, telephone number, social security number, medical or healthcare data or other protected health information, driver's license number or state identification number, account number(s), bank account number(s), financial account information, retirement account number(s), healthcare account number(s), employee identification number(s), home address, credit information, government identification number(s), credit card number(s), access code or password that would permit access to that individual's account, protected and individually identifiable health information under HIPAA or HITECH and on-public personal information as defined by the Gramm-Leach-Bliley Act.

• **Privacy Event** means Your: 1. disclosure or loss of **Personal Information** or **Corporate Information** in Your care, custody or control; or 2. violation of any **Privacy Regulation** or failure to comply with Your privacy policies.

• **Privacy Regulation** means any identity theft or privacy protection law requiring commercial entities that collect **Personal Information** to post privacy policies, adopt specific privacy or security controls, or notify individuals in the event that **Personal Information** may have been compromised.

• **Unauthorized Access** means the gaining of access to a **Computer System** by an unauthorized person(s), or by an authorized person(s) in an unauthorized manner.

• **Unauthorized Use** means the use of a **Computer System** by an unauthorized person(s), or by an authorized person(s) in an unauthorized manner.

All other terms and conditions of this Policy remain unchanged.
TENNESSEE AMENDATORY ENDORSEMENT

You and We agree:

Part 7. GENERAL CONDITIONS, Section I. Cancellation 2. is replaced by the following:

2. If this Policy has been in effect for sixty (60) days or less, We may cancel this Policy for any reason. In such event, written notice shall be mailed or delivered electronically to the First Named Insured at least 10 days before the effective date of cancellation.

If this Policy has been in effect for more than 60 days, We may only cancel this Policy for any of the following reasons:

a. Nonpayment of premium;

b. Conviction of You of a crime having as one of its necessary elements an act increasing any hazard insured against;

c. Discovery of fraud or material misrepresentation on the part of either You or Your representative in obtaining the insurance or the First Named Insured in pursuing a Claim under the Policy;

d. Failure to comply with written loss control recommendations;

e. A material change in the risk, which increases the risk of loss after insurance coverage has been issued or renewed;

f. A determination by the Commissioner that continuation of the Policy would jeopardize Our solvency or place Us in violation of any provision of the insurance laws of the state of Tennessee; or

g. Violation or breach by the Insured of any policy terms or conditions.

If We cancel this Policy for any of the reasons set forth above, We shall mail or deliver electronically written notice of cancellation to the First Named Insured at least 10 days before the effective date of cancellation. The notice shall state the reason for cancellation.

If this Policy is canceled, We will send the First Named Insured any premium refund due and the refund will be pro rata, less any minimum premium shortfall and customary short-rate calculation. The cancellation will be effective even if We have not made or offered a refund.

If notice is mailed, proof of mailing will be sufficient proof of notice.

Part 7. GENERAL CONDITIONS, Section J. Nonrenewal. is replaced by the following:

We may elect to nonrenew this Policy by mailing or delivering electronically to the First Named Insured written notice of nonrenewal at least 60 days before the Expiration Date. We will mail or deliver Our notice to the address stated in Item 1. of the Declarations Page, or to the email address You have consented to receive electronic notices.
PART 9. **APPLICATION** – A copy of your application or renewal application is attached behind this page.
PROFESSIONAL LIABILITY APPLICATION
This application must be completed by the Licensed Broker or designee on behalf of
the firm and signed by an owner, officer or principal of the firm.

Name of Insurance Agent: ________________________________ License# ________________________________

Phone: __________________ Fax: __________________ Email: __________________

Principal Contact: ________________________________ License# ________________________________

Email: __________________ Fax: __________________

Best Phone# to Reach You: __________________ Fax# __________________

Named Insured Information
State(s) where you want coverage: ________

Form of Business Entity: ☐ Individual Licensee ☐ Sole Proprietorship ☐ Partnership ☐ LLC ☐ Corporation

Name of Entity: __________________ License# __________________

Preferred DBA Name (if any): __________________

Type of Business Activity: ☐ Real Estate Sales ☐ Property Management/Leasing ☐ Mortgage Brokering ☐ Appraisal

Address: __________________________ City: ____________ State: _____ Zip: ____________

Mailing Address: __________________________ City: ____________ State: _____ Zip: ____________

Professional Memberships [i.e. Nat’l Assoc of Realtors (NAR)]: __________________

Franchise Affiliation (if any): __________________

#Brokers: ________ #Agents: ________ Full Time/ Part Time #Loan Officers: ________ #Unlicensed: ________

Staff Size (include individuals only once):

<table>
<thead>
<tr>
<th>Position</th>
<th>Full Time</th>
<th>Part Time</th>
<th>Inactive</th>
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<tbody>
<tr>
<td>Real Estate Broker/Agent/Independent Contractor</td>
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<td>Property Management Staff</td>
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<td>Loan Officer</td>
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<td>Real Estate Appraiser</td>
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<td>Other Professional Staff</td>
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<tr>
<td>Non-Professional, Unlicensed Staff</td>
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☐ YES  ☐ NO  Have any claims been made during the past 5 years against you, current/past agents, brokers, employees or
clients in connection with your provision of professional services? (If yes, current loss runs needed)

☐ YES  ☐ NO  Are you or anyone to whom this insurance would apply aware of any act, error, omission or other circumstance which
might reasonably be expected to be the basis of a claim or suit against any party involved where you/your firm
provided professional services? (If so, please provide details)

☐ YES  ☐ NO  Do you have ownership interest in any developer, builder or construction company? (If yes, details needed)

☐ YES  ☐ NO  Have you or anyone to whom this insurance would apply had their license revoked, been investigated or been subject
to any disciplinary action by any licensing board or other regulatory body during the past five years?
☐ YES  ☐ NO  In the past 12 months, has 50% or more of your gross revenue come from the combination of Land Sales, Commercial Sales, Commercial Property Management/Leasing?

☐ YES  ☐ NO  Do you perform real estate development or auctioneering?

☐ YES  ☐ NO  Does more than 25% of total revenue come from a single client?

☐ YES  ☐ NO  Has any policy for the above entity been declined, cancelled or non-renewed in the past 5 years?

☐ YES  ☐ NO  Are any principals an active attorney with a practice in any field?

☐ YES  ☐ NO  Do you have any Market Service Agreements (MSA) or another cost-sharing agreement?
   If yes: Please include a copy of your Market Service Agreement or cost-sharing agreement for our review.

☐ YES  ☐ NO  Have you had any claims on a Business Owner’s Policy in the past 5 years?
   Requested Effective Date:   _____ /   _____ /   _______    Prior Acts Date:   _____ /   _____ /   _______ (attach current declarations page)

☐ YES  ☐ NO  Would you like a quote with full prior acts coverage?

   Requested Limits:  ☐ $500,000/$500,000  ☐ $1,000,000/$1,000,000  ☐ $2,000,000/$2,000,000  ☐ OTHER: __________________________

   Requested Retention:  ☐ $2,500  ☐ $5,000  ☐ $10,000  ☐ OTHER: __________________________

Please list your real estate E&O insurance policy info for the past 3 years (where applicable):

<table>
<thead>
<tr>
<th>Policy Start Date</th>
<th>Carrier Name</th>
<th>Liability Limits</th>
<th>Deductible</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Building Information

Year Built: ___________________ Year Bldg was Updated (if applicable): ___________________

☐ YES  ☐ NO  Do you need any Additional Insureds? (If Yes, complete the below)

   Type:  ☐ Landlord    ☐ Grantor or Franchise    ☐ REO Vendor    ☐ Other: __________________________

   Name: ________________________________________________________________

   Address: __________________________________________ City: ______________ State: _____ Zip: __________

☐ YES  ☐ NO  Do you need to add a Waiver of Transfer of Rights of Recovery? (If Yes, complete the below)

   Name: ________________________________________________________________

   Address: __________________________________________ City: ______________ State: _____ Zip: __________

#### Computer Security Information

☐ YES  ☐ NO  Has your firm suffered a breach of personal information in the past 12 months?

☐ YES  ☐ NO  Do you conduct background screens for prospective staff?

☐ YES  ☐ NO  Is there a written document retention/destruction policy in place?

☐ YES  ☐ NO  Do you maintain regularly updated computer security measures (i.e. firewall, secured wireless connectivity, virus protection)?

☐ YES  ☐ NO  Are your employee, customer, and other physical records maintained in a secure environment with limited access?
Insured Services Information

Please select the activities that you have performed in the prior 12 months and received a fee/commission:
Please select the past and future activities for which you would like coverage:

**Residential (1-4 Residential Units)**

- ☐ Real Estate Sales
  (Includes Broker-held Escrow, Broker Price Opinions & Referrals)
- ☐ Raw, Vacant or Partially Developed Land Sales
- ☐ Mortgage Brokering*
- ☐ 3rd Party Escrow
- ☐ Appraisal

**Commercial (Other Than Residential/5+ Residential Units)**

- ☐ 5+ Residential Real Estate Sales
- ☐ Property Management/Leasing
- ☐ Office, Warehouse, Non-Anchor Retail Sales

*Mortgage Brokering does NOT provide coverage for: underwriting duties, servicing loans, commercial, reverse mortgages, soliciting/using own capital, loans funded without prior commitment.

Please provide the gross revenue breakdown of the past and future activities that you would like to cover:

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>Past 12 Months</th>
<th>Projected Next 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Be sure to list all revenue for activities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>for which you are seeking coverage</td>
<td>Gross Revenue</td>
</tr>
<tr>
<td>REAL ESTATE SALES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-4 Residential Units¹</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>5+ Residential Units²</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Office, Warehouse, Non-Anchor Retail²</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Raw, Vacant, or Partially Developed Land³</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>PROPERTY MANAGEMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-4 Residential Units⁴</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>5+ Residential Units⁴</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Commercial⁴</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Seasonal/Vacation Units⁴</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>LEASING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-4 Residential Units⁴</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>5+ Residential Units⁴</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Commercial⁴</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Seasonal/Vacation Units⁴</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>MISCELLANEOUS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage Brokering*</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Mortgage Banking</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>3rd Party Escrow (Lic#__________________________)</td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>
### Real Estate Counseling/Consulting
(Describe: ____________________ ) $ $ $ $ $ 

### Residential Real Estate Appraisal
$ $ $ $ $ 

### Business Brokerage/Opportunities
$ $ $ $ $ 

### Transaction Coordination
$ $ $ $ $ 

### Other (Describe: ____________________ ) $ $ $ $ $ 

1-6 Please complete the appropriate sections with additional information for all applicable activities
* Mortgage Brokering does NOT provide coverage for: underwriting duties, servicing loans, commercial, reverse mortgages, soliciting/using own capital, loans funded without prior commitment.

### 1 Residential Real Estate Details

Average Residential Sales Price in the past 12 Months: $______________

Top 3 Residential Sales Prices in the past 12 Months: $______________ $______________ $______________

Highest Sales Price in the past 12 Months? (If no sales, Projected Top Deal): □ Less than $1mil □ $1mil - $5mil □ Greater than $5mil

Percent of closings which include a Home Warranty: _______%

Percent of closings which involve a Transaction Coordinator (must be someone other than the broker): _______%

☐ YES  ☐ NO  Do you/your firm represent both sides of a single transaction (dual representation) more than 25% of the time?

☐ YES  ☐ NO  Is more than 25% of your real estate services for properties owned by an agent or direct relative?

☐ YES  ☐ NO  Do you or your agents buy or sell your own (yours or a direct relative’s) properties?

   If yes: How many in the past 12 months: _______ Anticipated in the coming 12 months: _______

   If yes: ☐ YES □ NO  Was more than 25% of your activity in the past 12 months from this?

☐ YES  ☐ NO  Have you had any transaction within the past 3 years valued over $2,000,000?

☐ YES  ☐ NO  Have you or your agents ever/do you intend to list a new or conversion condominium project?

   If yes: What is the maximum # of units in a single project? _____________

### 2 Commercial Real Estate Details

☐ YES  ☐ NO  Do you sell or anticipate to sell Apartment buildings that exceed 30 + units, Industrial/Manufacturing, Anchor Retail, Entitlement Operations, Research & Development?

☐ YES  ☐ NO  Have you had any transaction within the past 3 years valued over $5,000,000?

Top 3 Commercial Sales Prices & Description in the past 12 months:

$_________________________ Description: __________________________

$_________________________ Description: __________________________

$_________________________ Description: __________________________

### 3 Land Details (Residential/Commercial/Agricultural)

☐ YES  ☐ NO  Any transactions of raw/vacant land greater than <<1 acre or 10 acres>> in the past 12 months?

☐ YES  ☐ NO  Do land sales account for <<15% OR 20% OR 30%>> or more of your total commission income?

How many acres was the largest land transaction in the past 12 months? _____________

Top 3 Land Sales Prices, Type & Acreage in the past 12 Months:

$_________________________ Type: __________________ Acreage: _____________

$_________________________ Type: __________________ Acreage: _____________

$_________________________ Type: __________________ Acreage: _____________
4 **Property Management/Leasing Details**

☐ YES  ☐ NO  Do you manage any community or home owners associations with greater than 30 units or associations less than 10 years old?

☐ YES  ☐ NO  Do you lease or manage Apartments that exceed 30 + units, Industrial/Manufacturing, Anchor Retail, Entitlement Operations, or Research & Development?

☐ YES  ☐ NO  Are any leased or managed properties owned (in part or full) by an insured?

5 **Appraisal**

☐ YES  ☐ NO  Do you provide appraisals in states where you DO NOT hold a valid license?

☐ YES  ☐ NO  Are you involved in any appraisal activities for properties other than 1-4 residential units?

☐ YES  ☐ NO  Are you currently Blacklisted, or subject to 100% review with any GSE (ie. Fannie Mae, Freddie Mac), AMC, or Financial Institution?

☐ YES  ☐ NO  Do you need to add coverage for desk reviews?

☐ YES  ☐ NO  Is your desk review income greater than 10% of your appraisal income?

6 **Business Brokerage/Opportunity Details**

Top 3 Sales Prices & Type of Transaction in the past 12 Months:

$_______________ Type: _______________________________ Building Included: ☐ YES  ☐ NO

$_______________ Type: _______________________________ Building Included: ☐ YES  ☐ NO

$_______________ Type: _______________________________ Building Included: ☐ YES  ☐ NO

What type(s) of business brokerage do you anticipate in the coming 12 months? __________________________________________

☐ YES  ☐ NO  Do you have dedicated agents for business brokerage activities?

If yes: Who? __________________________________________ License# __________________________

#Years’ Experience: __________  #Deals in past 5 years: _________(specific to business brokerage)

NOTE: Early cancellations subject to minimum earned premium up to $858 and/or a short rate charge of 10%. Per transaction policies are subject to a service charge for late payments up to $15.

THIS APPLICATION IS FOR QUOTATION PURPOSES ONLY AND DOES NOT BIND THE COMPANY TO ISSUE INSURANCE.

Name: ___________________________  Title: ___________________________

Signature: ___________________________  Date: _____/ _____/ _______

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit, or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO CALIFORNIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the Company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any Insurance Company or agent of an Insurance Company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: Warning: it is a crime to provide false or misleading information to an insurer for the
purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony in the third degree.

NOTICE TO IDAHO APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any Insurance Company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO INDIANA APPLICANTS: Any person who knowingly and with the intent to defraud an insurer files a statement of claim containing any false, incomplete or misleading information commits a felony.

NOTICE TO KANSAS APPLICANTS: A “fraudulent insurance act” means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with the intent to defraud any Insurance Company or other person files an application for insurance containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINES APPLICANTS: It is a crime to provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the Company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MICHIGAN APPLICANTS: Any person who knowingly and with intent to injure or defraud any insurer submits a claim containing any false, incomplete or misleading information shall upon conviction, be subject to imprisonment for up to one year for a misdemeanor conviction or up to ten years for a felony conviction and payment of a fine of up to $5,000.

NOTICE TO MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEVADA APPLICANTS: Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

NOTICE TO NEW HAMPSHIRE APPLICANTS: Any person who, with purpose to injure, defraud or deceive any Insurance Company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW MEXICO APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO LOUISIANA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance or statement of claims containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OKLAHOMA APPLICANTS: Any person, who knowingly and with intent to injure, defraud, or deceive any Insurer, makes a Claim for the Proceeds of an Insurance Policy containing any false Incomplete or misleading Information, is guilty of a felony. Oklahoma Statutes 36 O.S. 3613.1 O.R. 365: 15-1-10(c)

NOTICE TO OREGON APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with the intent to defraud any Insurance Company or other person files an application for insurance or statement of claim containing any fact materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO SOUTH DAKOTA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
NOTICE TO TENNESSEE & VIRGINIA APPLICANTS: 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.

NOTICE TO APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claims containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and may subject such person to criminal and substantial civil penalties.
This policy consists of:

- Policy, including Declarations Page
- Forms & Endorsements
- Application

HDI Global Insurance Company

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

Senior Vice President & Corporate Secretary
Patricia Ryan

President
Brad Diericx