



Commercial Lines Policy

For [Named Insured]

Policy#: [Policy Number]

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

Home Office:

161 North Clark Street, 48th Floor
Chicago, IL 60601

Administrative Office:

(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 3. Quick Reference to Policy Provisions
- 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:**

9. Administrative Office: CRES Insurance Services LLC
PO Box 29502 #69121
Las Vegas, NV 89126-9502

SAMPLE



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.

SAMPLE

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.

	PAGE(S)
PART 1. DECLARATIONS PAGE	2-3
PART 2. NOTICES	4
A. Claims Made Policy	
B. Defense Costs Within the Limit	
C. Awareness	
PART 3. THIS SECTION – QUICK REFERENCE TO POLICY PROVISIONS	5-6
PART 4. INTRODUCTION	7
PART 5. INSURING AGREEMENTS AND EXCLUSIONS	8-13
A. What We Insure	
B. What We Do Not Insure – Exclusions	
C. Where and When We Insure	
1. Where We Insure	
2. When We Insure	
a. Claims First Made	
b. Prior Wrongful Acts	
c. Reported Wrongful Acts	
d. Extended Reporting Period	
e. Multiple Claims	
D. Limits of Liability, Retention and Reimbursement	
1. Limit of Liability	
a. Each Wrongful Act	
b. Total Limit of Liability	
2. Retention	
3. Reimbursement	
PART 6. DEFINITIONS USED IN THIS POLICY	14-15
A. Application or Renewal Application	
B. Bodily Injury	
C. Claim	
D. Damages	
E. Defense Costs	
F. Insured Services	
G. Named Insured	
H. Policy Period	
I. Property Damage	

J. **Retroactive Date**

K. **Wrongful Act**

PART 7.	GENERAL CONDITIONS	16-17
	A. Special Rights and Duties of the First Named Insured	
	B. What to Do if You have a Claim or Suit	
	C. Legal Action Against Us	
	D. Bankruptcy	
	E. Other Insurance	
	F. Transfer of Rights of Recovery Against Others to Us	
	G. Changes in Policy Provisions; Changes in Your Operations	
	H. Transfer of Your Rights and Duties Under the Policy	
	I. Cancellation	
	J. Nonrenewal	
	K. Representations	
PART 8.	ENDORSEMENTS	18
PART 9.	A COPY OF YOUR SIGNED APPLICATION	19

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:

One Year	=	125%
Two Years	=	150%
Three Years	=	175%
Four Years	=	200%

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@cesinsurance.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@cesinsurance.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

If 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.

SAMPLE



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

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.



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

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**.

SAMPLE

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.

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.

SAMPLE

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.

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.

SAMPLE

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.

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.



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

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**.

SAMPLE

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.

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.

SAMPLE

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.

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**.

SAMPLE

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.

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.

Premium: \$ Per [Activity Type] Transaction Side

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.



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

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**.

SAMPLE

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.

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):

Activity

Retention

SAMPLE

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 (ADDITIONAL PREMIUM)

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

SAMPLE

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:

SAMPLE

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:

SAMPLE

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.

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):

Activity

Sublimit of Liability

SAMPLE

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.



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

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.

SAMPLE

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.

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**.

SAMPLE

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.

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: _____

Sellers Protection Plan Endorsement

THE SELLERS PROTECTION PLAN IS WRITTEN ON A "CLAIMS-MADE AND REPORTED" BASIS AND PROVIDES COVERAGE FOR THOSE CLAIMS WHICH ARE THE RESULT OF COVERED CIRCUMSTANCES AND WHICH ARE FIRST MADE AGAINST THE SELLER AND REPORTED TO THE COMPANY WHILE THIS INSURANCE IS IN FORCE. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE OR REPORTED AFTER THE END OF THE COVERAGE PERIOD.

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 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, 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. intentional, dishonest or fraudulent act committed, in fact, by or on behalf of the **seller** to effectuate the sale of **residential property**;
3. **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**;
4. class action suit;
5. counter-**claim**, cross-complaint or similar action instituted against the **buyer** by the **seller**;
6. 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;
7. 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;
8. actual or alleged anti-trust law violation or agreement or conspiracy to restrain trade;
9. escrow amounts in connection with any **completed contract**;
10. fluctuation in market value, or condition, performance or suitability for use of any **residential property**;
11. failure to procure or maintain adequate insurance or bonds prior to the date of a **completed contract**;
12. **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. LIMITS 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**.

Defense costs payments or reimbursements are subject to a separate \$25,000 Limit of Liability. This applies even if, by mutual agreement or court order, the **seller** assumes control of the defense before this limit is used up. If the **seller** assumes control of the defense before this limit is used up, **We** will reimburse the **seller**, or pay, for reasonable **defense costs**, but only up to the remaining amount then available.

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.

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

A person or organization may bring a suit against us **Us** including, but not limited to a suit to recover on an **Agreed Settlement** or on a final judgment against **You**; 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.

C. Transfer of Rights of Recovery

If we make any payment under this policy, and the person to or for whom payment is made has a right to recover damages from another, we shall be subrogated to such rights. However, our right to recover is subordinate to **Your** right to be fully compensated.

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

This policy is a non-cancelable contract and cannot be terminated for any reason.

All premium charges for this policy are fully earned on the effective date of the **complete contract** and non-refundable in whole or in part.

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 be void 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. Provided however, a misrepresentation shall not void this policy unless:

1. The statement is false;
2. The statement was made with the intent to deceive; and
3. The statement is material to the risk insured.



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

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**.

SAMPLE

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.

LEAD EXCLUSION

You and We agree:

PART 5. INSURING AGREEMENTS AND EXCLUSIONS, Section **B. What We Do Not Insure – Exclusions 1.** is amended by the addition of the following:

Bodily Injury or property damage:

- (1) Arising out of the presence, ingestion, inhalation, absorption, manufacture of, use of, sale of, installation of, removal of, distribution of or exposure to lead in any form or any product containing lead; or
- (2) In which **You** are obligated to pay to any party because of damages arising out of the presence, ingestion, inhalation, absorption, manufacture of, use of, sale of, installation of, removal of, distribution of or exposure to lead in any form or any product containing lead.

SAMPLE



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

MOLD EXCLUSION

You and We agree:

PART 5. INSURING AGREEMENTS AND EXCLUSIONS, Section **B. What We Do Not Insure – Exclusions 1.** is amended by the addition of the following:

- a. **Bodily Injury, Property Damage** which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria 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 such injury or damage.
- b. 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, "fungi" or bacteria, by any insured or by any other person or entity.

Solely for the purposes of this endorsement, "fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

SAMPLE



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

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**.

SAMPLE

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.

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]

SAMPLE

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.

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:

SAMPLE

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.

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.



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

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]

SAMPLE

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.

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 complaint 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.



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

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.



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

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** or **Your** spouse; 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.



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

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** or **Your** spouse;
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.



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

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** or **Your** spouse;
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.



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

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 means the Consumer Financial Protection Bureau pursuant to Section X of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010) (codified at 12 U.S.C. § 5301) (hereinafter, the “Act”).

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.



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

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.



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

LOUISIANA AMENDATORY ENDORSEMENT

1. **PART 5. INSURING AGREEMENTS AND EXCLUSIONS**, Section **B. What We Do Not Insure – Exclusions 1.m.** is deleted and replaced with the following:

Based on or arising out of 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, or chemicals;
- (2) Waste, which includes material to be recycled, reconditioned or reclaimed; or
- (3) Any other pollutant as defined by applicable federal, state or local statutes, regulations, rulings or ordinances;

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;

2. Under **PART 5. INSURING AGREEMENTS AND EXCLUSIONS**, Section **B. What We Do Not Insure – Exclusions 1.n** all references to "domestic partner" are deleted.

3. **PART 7. GENERAL CONDITIONS**, Section **C. Legal Action Against Us** is replaced by the following:

C. Legal Action Against Us

A person or organization may bring a suit against us **Us** including, but not limited to a suit to recover on an **Agreed Settlement** or on a final judgment against **You**; 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.

4. **PART 7. GENERAL CONDITIONS**, Section **F. Transfer of Rights of Recovery Against Others to Us** is replaced by the following:

If we make any payment under this policy, and the person to or for whom payment is made has a right to recover damages from another, we shall be subrogated to such rights. However, our right to recover is subordinate to **Your** right to be fully compensated.

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

2. If this Policy has been in effect for less than 60 days, **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 60 days before the effective date of cancellation. If cancellation is for nonpayment of premium, 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 60 days or more, **We** may only cancel this Policy for any of the following reasons:

- a. Nonpayment of premium;
- b. Fraud or material misrepresentation made by or with the knowledge of the First **Named Insured** in obtaining the Policy, continuing the Policy, or in presenting a **Claim** under the Policy;
- c. Activities or omissions on the part of the First **Named Insured** which change or increase any hazard insured against;
- d. Change in the risk which increases the risk of loss after **We** issued or renewed the Policy, including an increase in exposure due to regulation, legislation, or court decision;
- e. A determination by the Commissioner that the continuation of the Policy would jeopardize the Insurer's solvency or would place the Insurer in violation of the insurance laws of this or any other state;
- f. Violation of breach by **You** of any policy terms or conditions; or
- g. Such other reasons as are approved by the Commissioner of Insurance.

If **We** cancel this Policy for any of the reasons set forth in **b.** through **g.** above, **We** shall mail or deliver electronically written notice of cancellation to the First **Named Insured** at least 30 days before the effective date of cancellation. If **We** cancel this Policy for any of the reason set forth in **a.** 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. Notice of cancellation will state the effective date of cancellation and the reason for cancellation. The **Policy Period** will end on that 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. Notice shall also be mailed or delivered electronically to any mortgagee, pledge or other known person shown to have an interest in any loss.

If this Policy is canceled, **We** will send the First **Named Insured** any premium refund due including any unearned portion of any premium. The refund will be calculated pro rata, less any minimum premium shortfall and customary short-rate calculation according to our manuals as filed with and approved by the Commissioner of Insurance" LRS 22:885B.

The First **Named Insured** is liable to **Us** for premium for the period during which this Policy was in force. The cancellation will be effective even if **We** have not made or offered a refund. If the First **Named Insured** cancels, the refund will be returned within 30 days after the effective date of cancellation. If the refund is not returned within 30 days, any refund due shall include interest at the rate of one and one-half percent per month of the amount of the refund due to the First **Named Insured**.

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

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

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 or to the email address **You** have consented to receive electronic notices.

Such notice to the First **Named Insured** shall include **Your** loss run information for the period the policy has been in force within, but not to exceed, the last three years of coverage. Notice shall also be mailed or delivered electronically to any mortgagee, pledge or other known person shown to have an interest in any loss.

PART 9. APPLICATION – A copy of your application or renewal application is attached behind this page.

SAMPLE



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.

PO Box 29502 #69121 | Las Vegas, NV 89126-9502 | (858) 618-1648 | Fax (858) 618-1655 | www.cresinsurance.com

Name of Insurance Agent: _____ License# _____

Phone: _____ Fax: _____ Email: _____

Principal Contact: _____ License# _____

Email: _____

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):

	Full Time	Part time	Inactive
Real Estate Broker/Agent/Independent Contractor			
Property Management Staff			
Loan Officer			
Real Estate Appraiser			
Other Professional Staff			
Non-Professional, Unlicensed Staff			

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):

Policy Start Date	Carrier Name	Liability Limits	Deductible	Premium

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)	
<input type="checkbox"/> Real Estate Sales (Includes Broker-held Escrow, Broker Price Opinions & Referrals)	<input type="checkbox"/> Raw, Vacant or Partially Developed Land Sales
<input type="checkbox"/> Mortgage Brokering*	<input type="checkbox"/> Property Management/Leasing
<input type="checkbox"/> 3 rd Party Escrow	<input type="checkbox"/> Seasonal/Vacation Rentals
<input type="checkbox"/> Appraisal	<input type="checkbox"/> Transaction Coordination
Commercial (Other Than Residential/5+ Residential Units)	
<input type="checkbox"/> 5+ Residential Real Estate Sales	<input type="checkbox"/> Property Management/Leasing
<input type="checkbox"/> 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:

ACTIVITY	Past 12 Months		Projected Next 12 Months	
	Gross Revenue	Total Trans Count Dual as 2	Projected Gross Revenue	Total Trans Count Dual as 2
<i>Be sure to list all revenue for activities for which you are seeking coverage</i>				
REAL ESTATE SALES				
1-4 Residential Units ¹ Includes Broker Held Escrow, Broker Price Opinions and Referrals	\$		\$	
5+ Residential Units ²	\$		\$	
Office, Warehouse, Non-Anchor Retail ²	\$		\$	
Raw, Vacant, or Partially Developed Land ³	\$		\$	
PROPERTY MANAGEMENT				
1-4 Residential Units ⁴	\$		\$	
5+ Residential Units ⁴	\$		\$	
Commercial ⁴	\$		\$	
Seasonal/Vacation Units ⁴	\$		\$	
LEASING				
1-4 Residential Units ⁴	\$		\$	
5+ Residential Units ⁴	\$		\$	
Commercial ⁴	\$		\$	
Seasonal/Vacation Units ⁴	\$		\$	
MISCELLANEOUS				
Mortgage Brokering*	\$		\$	
Mortgage Banking	\$		\$	
3 rd Party Escrow (Lic# _____)	\$		\$	

Real Estate Counseling/Consulting (Describe: _____)	\$		\$	
Residential Real Estate Appraisal ⁵	\$		\$	
Business Brokerage/Opportunities ⁶	\$		\$	
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 MAINE 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.

SAMPLE

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 Dierix