

**Not All E&O Providers are the Same . . .  
Neither are All E&O Policies**

**Always Review the Actual Policy Provisions!**

The most accurate representation of what a policy covers is the policy itself. We recommend that you review any policy you are considering and ask these questions:

**Does the policy provide first dollar defense? Yes.** Under the RISC policy, there is no deductible for damages or defense costs. Other policies may have stringent requirements that must be followed to qualify for first dollar defense.

**Does the policy offer unlimited defense costs? Yes.** Under the RISC policy, there is no limit on the amount of defense costs available to pay covered claims (except under the fair housing/discrimination, environmental, escrow/earnest money, lock box, subpoena, and regulatory complaint coverages which were not traditionally covered at all under many E&O policies).

**Does the policy insure transactions you do for relatives? Yes.** The RISC policy applies to claims involving services performed for your parents; grandparents; siblings; aunts; uncles; cousins; children; and spouse's parents, grandparents, siblings, and children. This is important, since buyers and sellers often turn to a trusted relative who is a real estate licensee to represent them in a transaction.

**Does the policy apply to claims relating to all types of real property? Yes.** The RISC policy applies to any claim relating to professional services, regardless of the type of property involved. Other policies may limit coverage to a specific type of property, such as residential, or require additional premium for coverage for other kinds of property. Even if you currently handle only residential transactions, consider whether you are willing to forgo an opportunity to work with commercial property or farm land or to risk not having coverage for a claim resulting from the transaction.

**Does the policy insure your firm for its vicarious liability for your professional services? Yes.** Claims are often made against real estate firms as a result of their licensees' negligence. Under the group program, the insured licensee's policy applies to covered claims alleging the firm's vicarious liability for negligent acts, errors, and omissions in the licensee's professional services. Some policies issued to individual licensees may not provide coverage for the firm's vicarious liability for their actions, which may leave the firm uncovered in the event of a claim.

**Are insureds satisfied with the provider's service? Yes.** Below are excerpts from actual emails we have received:

*Rice Insurance Services has consistently responded to our needs in a timely and professional manner. With the current atmosphere of frequent litigation, it is very important to our survival as a real estate service provider to have access to this level of quality when the need arises for insurance coverage. M.G., Iowa Broker*

*I have had many occasions to work with RISC, and I always have received timely professional service. I have consistently found RISC's management and staff to be friendly, cooperative and fair. J.J., general counsel for large Iowa real estate firm*



**Contact Us**

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**Support your state program!**

Experienced real estate agents spend years growing their business and developing their reputation, and new agents hope to do the same. It only takes one unhappy buyer or seller to threaten your financial livelihood. The group policy provides \$100,000 limits per claim and in the aggregate per licensee aggregate, with no deductible for damages or legal fees – for just \$148 per licensee.

**IOWA REAL ESTATE  
COMMISSION'S GROUP  
E&O POLICY**

Administered By  
Rice Insurance Services Company, LLC

Issued By  
Continental Casualty Company

Real Estate E&O Insurance  
Designed for Iowa Licensees



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### Please Support Your State Program

Over **\$8.5 Million** in defense costs and damages have been incurred as of September 1, 2018 since the current carrier began issuing the Iowa state group program in 2003. RISC and the carrier share a commitment to their insureds and providing valuable coverage to Iowa licensees. When shopping for insurance coverage it's important to ask about the company's experience and paid claims in Iowa. If a company is charging a very low amount, you may find the carrier doesn't provide much coverage or pay many claims.

The state group program offers affordable E&O insurance to each and every licensee by spreading the risk over a large number of insureds. Without the group program's low premium, other carriers have no incentive to offer real estate E&O policies at affordable prices. In states without a group program, real estate E&O premiums may cost thousands of dollars and some licensees report being unable to obtain insurance at any price.

### Rely on the Most Experienced Provider in the Business

The Rice family and their colleagues have specialized in mandated real estate E&O programs since 1989. We provide group policies in the vast majority of states that have group programs and require licensees to maintain insurance. CNA has more than 50 years of experience in E&O programs, including over 30 years in real estate E&O. CNA is the top provider of real estate liability insurance, delivering more than 100 years of experience, industry knowledge, and financial strength to manage even the most complex risks. You can be confident we will be here for you even after you purchase coverage.

### When a Claim is Made, Our Claims Adjusters Focus on You

Some people assume insurance companies look for reasons to deny coverage. Our duty to find coverage where the policy supports it is our utmost concern. Most insurance providers use one entity to sell the policy and another to handle claims. Because we do both, the information we provide about the policy reflects how it will actually apply in the event of a claim. Providers who don't administer claims may not know how the carrier actually applies the policy when a claim is made.

### We Stand by You Even if there is a Claim

You may be involved in a claim even if you did everything by the book. Some providers won't write your coverage if you have had a claim. Or if you have a claim, they may not renew your policy! There is no need to fear reporting a claim under our program. We understand that having a claim does not mean that you did anything wrong. Anyone can be involved in a transaction that goes sour. Never think that it can't happen to you. And we are here to help you if it does.

### Our Revamped Website Makes Everything Easier

We are dedicated to exceptional customer service for all of our customers. Our website makes it easy and convenient to enroll in the group policy, learn more about the group program, and find risk reduction information. Take a look at our website and learn how RISC puts the Experience and Options in E & O

RISC is pleased to continue to provide the Iowa Real Estate Commission's group real estate errors and omissions (E&O) insurance program for Iowa licensees. After more than 25 years of service to real estate licensees, we hope that we have exceeded our insureds' expectations and continue to strive to do so. The insurance carrier, Continental Casualty Company, a CNA insurance company, is rated "A" Excellent by A.M. Best.

### BASIC POLICY only \$148

**Limits of Liability** \$100,000 per claim / \$100,000 aggregate with NO deductible.

### Increased Limits Available to Individual (Not Firm) Licensees:

\$250,000 per claim / \$750,000 aggregate (\$68 or \$88) or \$500,000 per claim / \$1,000,000 aggregate (\$127 or \$152).

### AUTOMATICALLY INCLUDES:

**First Dollar Defense:** Applies WITH NO CONDITIONS to all covered claims.

**Defense Outside Limits:** NO LIMIT on the amount of defense costs the carrier will pay in connection with claims covered under the basic policy (except under the fair housing/discrimination, environmental, escrow/earnest money, lock box, subpoena, and regulatory complaints coverages, which were traditionally not covered at all under many E&O policies).

**Expanded Definition of Professional Services:** The definition of professional services includes property management and services performed or advice given (including as a notary public and as a real estate consultant or counselor) in connection with licensed activity.

**Firm / Franchise Coverage:** Real estate firm and franchisor included in the definition of insured for vicarious liability for covered claims.

**Spousal Coverage:** Licensee's spouse or domestic partner considered an insured in certain situations.

**Retroactive / Prior Acts Coverage:** Insures prior transactions, provided you have maintained continuous real estate E&O insurance from the date of the professional services to the date the claim is first made.

**Discrimination / Fair Housing Coverage:** \$25,000 per claim / \$25,000 aggregate (damages & defense costs, combined).

**Environmental Coverage:** \$10,000 per claim / \$20,000 aggregate (damages & defense costs, combined).

**Escrow / Earnest Money Coverage:** \$5,000 per claim / \$10,000 aggregate (damages & defense costs, combined).

**Lock Box Coverage:** \$5,000 per claim / \$10,000 aggregate (damages & defense costs, combined).

**Subpoena Coverage:** Up to \$2,500 in attorneys' fees in connection with a covered subpoena (maximum for all subpoenas \$2,500).

**Primary Residence Coverage:** Coverage for the sale or listing for sale of the insured licensee's primary residence, under certain conditions.

### AUTOMATICALLY INCLUDES (Cont.)

**Regulatory Complaints Coverage:** \$2,500 per regulatory complaint / \$5,000 aggregate (defense costs).

**Security Breach Supplementary Payment Coverage:** Reimbursement to the real estate firm, regardless of the number of licensees or incidents involved, up to \$5,000 max for costs incurred to provide required notification to clients of a security breach when information may have been disclosed or used in an unauthorized manner. This is not coverage for the licensee's or licensee's family's personal identity theft risk.

### OPTIONAL ENDORSEMENTS FOR INDIVIDUAL (NOT FIRM) LICENSEES

**Appraisal:** (\$200) Active Iowa real estate licensees who also have an active appraiser license may purchase an appraisal endorsement to add licensed appraisal services to the activity insured by the group policy.

**Contingent Bodily Injury / Property Damage:** (\$25) \$10,000 per claim / \$10,000 aggregate for damages and defense costs, combined, for bodily injury and property damage claims that arise from professional services under certain conditions.

**Residential Personal Interest:** (\$15) Provides coverage for claims relating to the sale or listing for sale of residential property owned by the licensee, the licensee's spouse, or a company owned by the licensee under certain conditions (subject to a \$500 damage deductible).

### OPTIONAL ENDORSEMENTS FOR INDIVIDUAL AND FIRM LICENSEES

**Conformity:** (\$15) Conforms the licensee's coverage under the Iowa group policy to comply with another mandated state's E&O requirements. To be eligible, the licensee must be actually domiciled or treated as domiciled in Iowa under the policy.

### WHERE INSURANCE APPLIES

For licensees domiciled in Iowa, the policy applies to professional services provided anywhere in the world, provided the licensee is duly licensed in the state where services were provided, and the services would require a real estate license had they been performed in Iowa. Licensees not actually domiciled in Iowa or not considered to be domiciled in Iowa under the policy terms are insured only for professional services rendered in Iowa.

### FIRM EXCESS COVERAGE

#### (Subject to Underwriting Approval)

Firm excess policies with \$1,000,000 limits available to firms whose licensees are all insured through the group program.

### RISK REDUCTION MATERIAL

Available on our website. We incorporate our knowledge of the policy and extensive claims handling experience into educational articles and videos.

Visit our website, [www.risceo.com](http://www.risceo.com), to enroll online, view sample policy and endorsement forms, and obtain additional information. Also feel free to contact us with any questions or concerns. We are always happy to hear from

programs.

Iowa licensees.