Williams Underwriting Group

WILLIAMS UNDERWRITING GROUP 2015 INDEPENDENT CARRIER REAL ESTATE ERRORS AND OMISSIONS PROGRAM

Williams Underwriting Group (WUG), a division of Assured Neace Lukens is pleased to announce that we will continue to provide real estate errors & omissions coverage in 2015 for Colorado licensees and Firms. For the past fifteen years WUG has understood the importance of providing quality claims-made E&O coverage to Colorado real estate licensees and Firms. For this reason, we have continued to partner with Zurich American Insurance Company (Zurich) to provide the same quality coverage to which you have been accustomed. Coverage meets or exceeds the minimum requirements established by the Colorado Real Estate Commission.

POLICY FEATURES:

- **Choice of limits** for both individual and firm licenses of $100,000/$300,000, $250,000/$750,000 or $500,000/$1,000,000. Claim expenses are paid in addition to the limits of liability.
- **Deductible** is $1,000 per wrongful act. Each licensee pays this deductible. There is no deductible for claim expenses.
- **Lock Box** property damage limit of liability is $100,000 each event and $300,000 total limit. These are the only limits of liability for Lock Box coverage. There is no deductible for Lock Box coverage.
- **Fair Housing Discrimination sublimit of** $25,000 for damages and claim expenses subject to a $1,000 per claim deductible.
- **Property Management Services,** as defined in the policy, are automatically included
- **Earnest Money** coverage for damages and claim expenses of $10,000 per claim and $25,000 total limit subject to the $1,000 per claim deductible.
- **Primary residence coverage** for the sale or listing of your primary or principle residence, provided the sale or listing is performed under the real estate license laws of Colorado.
- **Conformity Coverage** the policy automatically conforms to the conditions of other mandatory states E&O requirements. WUG will certify coverage directly to the other states where allowed. WUG will provide the necessary certification forms to you for all other states. **There is no additional charge for the certification process.** Please contact WUG for certification to the Tennessee Real Estate Commission due to their unique and specific requirements.
- **Optional Extended Reporting Period Endorsement. An** optional Extended Reporting Period Endorsement is available to licensees who do not renew their coverage under this policy. This endorsement extends the time in which to report certain claims or a wrongful act brought against the insured which occurred after the retroactive date (as listed on the insured's certificate of coverage or policy) and before the policy period ends.
- **Prior Acts Coverage** for certain "prior acts" if the insured had similar claims-made coverage continually in force prior to the time coverage begins under the 2015 policy.

Optional Coverage Endorsements Available: (**additional premiums apply**)

- **Contingent Bodily Injury and Property Damage** A sub-limit of $10,000 for all claims solely arising from Real Estate and Property Management Services (as defined in the policy). This is subject to a $1,000 deductible.
- **Licensed Appraisal Endorsement.** Active Real Estate Licensees, who are also Appraisers, may purchase this endorsement to cover their appraisal activities. (If you do not hold an **active** real estate license, then you cannot purchase this endorsement and no appraisal coverage will apply. You must also maintain an active real estate license for the entire policy period for appraisal coverage to apply.)
- **Personal Identity Coverage Endorsement.** This endorsement provides up to $25,000 reimbursement for expenses from personal identity theft.
- **Additional Coverage's Endorsement** (**This endorsement is automatically included if you are an active member of CAR and provide your NRDS number). If you are not an active member of CAR this endorsement is available for an additional premium charge of $40.00.**
  - Coverage for Regulatory Complaints sublimit of $7,500 for claim expenses
  - Environment Hazard sublimit of $20,000/$40,000 including mold/fungi for damages and claim expenses
  - Increased Fair Housing limit of $50,000 for damages and claim expenses
  - Subpoena assistance coverage of $5,000 for all claims
  - Coverage for the sale of Agent-Owned residential investment property subject to certain conditions
  - Modified Defense and Settlement provisions.

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Other Services

- **Certification:** WUG will certify your coverage directly to the Colorado Real Estate Commission. There are no certification forms you need to complete.
- **Online enrollment** with Visa, MasterCard or Discover – www.wugieo.com. WUG assesses a $5.00 convenience fee to enroll online. (This is in addition to and not included in the policy premium.)
- **Non-Resident Licensees:** Coverage only applies to wrongful acts - as defined in the policy - committed in Colorado unless you work for or represent a real estate firm licensed and located in Colorado.

Summary of Policy Exclusions: (For a full listing of exclusions please read the entire policy including the EXCLUSIONS section)

- Bodily injury, property damage, personal injury, advertising injury
- Dishonest, fraudulent, criminal acts, unfair competition
- Conversion, misappropriation, failure to pay, fees or commissions etc.
- Violations of federal and state securities laws
- Failure to maintain insurance or bonds
- Discrimination (other than Fair Housing Discrimination), employment related practices
- Pollutants including mold/fungi (limited coverage for claim expenses available by endorsement)
- Formation, syndication, operation or administration of a corporation or partnership
- Financial interest (management or sale of property that is owned, built or developed by an insured or spouse who has over a 25% ownership interest in said property)
- Notarizing signatures not signed before the insured

Licensees who elect not to maintain continuous coverage (due to retirement, failing to renew on time, putting your license on inactive status, etc.), may not have coverage for claims reported in the future for past real estate services, other than what is provided for in the limited extended reporting period included in the policy. **If, prior to the policy period, an insured is aware of any circumstance that may lead to a claim (it does not have to be in writing), it needs to be turned into your current insurance company. The insurance company is not obligated to pay or defend any claim or potential claim of which an insured was aware of before the beginning of the new policy period.**

An extended, three-year additional Reporting Period Endorsement is available at a cost of 200% of the expiring annual premium. This endorsement will protect an insured from covered claims reported in the future for past real estate services that occurred after the retroactive date (shown on the Certificate of Insurance) and before the policy expiration date of 01-01-15. This endorsement does not extend the policy period, however. If you would like to purchase this endorsement, you must contact WUG at 800-222-4035 within 90 days of your policy expiration date of 01-01-15. Payment must be received within the same 90-day period. **If you are not currently insured under the program discussed above, you will need to contact the insurance company that provided your coverage in 2014 to discuss with them their terms and conditions for purchasing an extended reporting period endorsement, if any.**

EXCESS COVERAGE:

Additional limits of coverage are available to Brokers and/or Entities, subject to underwriting considerations. Limits are available up to $3,000,000/$3,000,000 with a choice of deductibles starting at $1,000. Excess coverage is available to Entities, where the majority of licensees are covered under the WUG program, and sole proprietorships. To obtain additional information and an application, please contact WUG at 800-222-4035.

NOTICE:

Payment must be received by WUG no later than December 19, 2014 in order to guarantee certification to the Colorado Real Estate Commission. Neither WUG nor the insurance company will be responsible for any late penalty fees imposed by CREC or late certifications of payments received after December 19, 2014. All premiums are fully earned at the inception of the policy period (No Refunds).

Licensees who do not obtain insurance by January 31, 2015 will lose any previous established retroactive date (i.e., "prior acts" coverage). Your new retroactive date will be the 1st of the month in which your payment is received, coinciding with your effective date. Further, if you do not renew your insurance on time, the Colorado Real Estate Commission may put your license on inactive status. (This prior acts warning only applies to coverage purchased through our program. Other insurance companies may or may not have their own requirements.)

DISCLAIMER: ***Insurance underwritten and coverage(s) provided by Zurich American Insurance Company. ("Zurich"), an individual member company of Zurich in North America. The descriptions herein are summaries only. They do not in any way amend any coverage(s) you may have purchased from Zurich or any other member companies of Zurich in North America, and do not include all terms, conditions and/or exclusions of the policy(ies) described herein. Please refer to the actual policy(ies) for full terms, conditions, and exclusions and complete details of coverage(s).***