



HDI GLOBAL INSURANCE COMPANY  
An Illinois Corporation

## Commercial Lines Policy

---

For Prestige Realty Group Inc

Policy #: HGI-1047897-00

Policy Period: 01-01-2023 to 01-01-2024

---

Home Office:

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

Administrative Office: (for claims, policy service, questions & complaints)

CRES  
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: HGI-1047897-00  
 Prestige Realty Group Inc  
 DBA: Realty One Group Apex  
 Physical Address: 15 Spectrum Loop, Suite 115  
 Colorado Springs, CO 80921  
 Mailing Address: 19615 Hidden Springs Glen  
 Monument, 80132

2. **Policy Period:** 01-01-2023 to 01-01-2024 (12:01 AM at address #1)

3. **Retroactive Date:** See Insured Services section. Retroactive date is bound to each insured service separately.

4. **Insured Services:**

Insured Service Name	Prior Acts Type	Retroactive Date
Commercial Real Estate Services: Listing, Sale, Property Management/Leasing, Referral, Broker Price Opinion, and Escrow Agent Services of commercial real estate, including 5+ residential units, and/or land.	Full Priors	
Residential Real Estate Services: Listing, Sale, Leasing, Referral, Broker Price Opinion, and Escrow Agent Services of 1-4 unit residential properties and/or land.	Full Priors	
Property management/leasing of residential real estate, meaning 1-4 residential units	Full Priors	

5. **Limit of Liability:**

- a. Each **Wrongful Act** \$1,000,000
- b. Aggregate \$2,000,000
- c. Discrimination \$1,000,000
- d. Lockbox To Policy Limit
- e. Contingent Liability \$250,000

6. **Retention:** \$2,500

7. **Premium:** \$3,499

8. **Forms and Endorsements:**

Endorsements	Form Number
Commercial Lines Policy Jacket	HDI E&O JACKET (0120)
Professional Liability Application	HDI-3006 (0818)
Real Estate Services Errors & Omissions Liability Insurance Policy	HDI-EO1009 (0818)
Seller's Protection Plan Coverage Endorsement	HDI-0336 (0717)
Discrimination Indemnity and Defense Coverage	HDI-0314 (0717)

Contingent Liability Coverage - \$250,000	HDI-0311 (0717)
Agent Owned Property	HDI-2003 (0619)
Additional Named Insured	HDI-0406 (0818)
Additional Insured Endorsement	HDI-0306 (0717)
Broad Form Real Estate Services	HDI-0342 (0717)
Reimbursement of Expenses - \$50,000	
Disciplinary Proceedings - \$50,000	
Public Relations Advisory - \$50,000	
Subpoena Assistance - \$30,000	
First Party Cyber Liability - \$50,000	
Not for Profit Directors Coverage - \$30,000	
Pollution Coverage - \$500,000	HDI-0411 (0717)
Retention Reduction - Risk Management Practices	HDI-0412 (0818)
First Dollar Defense Coverage	HDI-0315 (0717)
Regulatory Compliance Endorsement	HDI-0328 (0717)
Agent, Property or Event Exclusion	HDI-0402 (0717)
Amendatory Endorsement Excess Coverage	HDI-0363 (1019)

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



Authorized Signature: \_\_\_\_\_ Date Issued: 12-21-2022

This Policy is issued to a participating member of the Real Estate Services Council Purchasing Group, a Risk Purchasing Group. The insurer for the purchasing group may not be subject to all the laws and regulations of **Your** state. Depending on the state, the insurance insolvency guarantee fund may not be available to the Purchasing Group.

## PART 2.

## NOTICES

A. Claims Made and Reported Policy:

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

B. **Defense Costs** Within the Limit:

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

C. Awareness:

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

### PART 3. QUICK REFERENCE TO POLICY PROVISIONS

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

	PAGE(S)
PART 1. DECLARATIONS PAGE	2-3
PART 2. NOTICES	4
A. Claims Made Policy	
B. <b>Defense Costs</b> 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 <b>We</b> Insure	
B. What <b>We</b> Do Not Insure – Exclusions	
C. Where and When <b>We</b> Insure	
1. Where <b>We</b> Insure	
2. When <b>We</b> Insure	
a. <b>Claims</b> First Made	
b. Prior <b>Wrongful Acts</b>	
c. Reported <b>Wrongful Acts</b>	
d. Extended Reporting Period	
e. Multiple <b>Claims</b>	
D. Limits of Liability, Retention and Reimbursement	
1. Limit of Liability	
a. Each <b>Wrongful Act</b>	
b. Total Limit of Liability	
2. Retention	
3. Reimbursement	
PART 6. DEFINITIONS USED IN THIS POLICY	14-15
A. <b>Application</b> or <b>Renewal Application</b>	
B. <b>Bodily Injury</b>	
C. <b>Claim</b>	
D. <b>Damages</b>	
E. <b>Defense Costs</b>	
F. <b>Insured Services</b>	
G. <b>Named Insured</b>	
H. <b>Policy Period</b>	
I. <b>Property Damage</b>	
J. <b>Retroactive Date</b>	
K. <b>Wrongful Act</b>	
PART 7. GENERAL CONDITIONS	16-17
A. Special Rights and Duties of the First <b>Named Insured</b>	

- 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 the reported premium. The premium **You** must pay to purchase the Extended Reporting Period is:

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; and
  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
  2. 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 incurred by **Us** in the defense of **You**;
  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 GGB.LV2.CRES.Claims@ajg.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 GGB.LV2.CRES.Claims@ajg.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.



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



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**.



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 or their 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.



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**





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 \$250,000 for the **Damages** for which **You** are legally liable.
2. Pay **Claims** expenses, up to \$250,000, 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.



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.



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**.



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:

### Description:

The actual or attempted purchase of property by, or the actual or attempted sale, leasing or appraisal of property Developed, or owned by: (1) any entity in which any of You has a financial interest; (2) any entity which has a financial interest in You; or (3) any entity which is under the same financial control as You Provided that such financial interest existed at the time of the Wrongful Act giving rise to the claim.1. Claims arising from management of property where an Approved Property Management Agreement was not in place at the time the alleged Wrongful Act occurred. Approved Property Management Agreement means an executed written property management contract between the property owner and You containing: a. Express language requiring the property owner to indemnify, defend and hold harmless any of You for acts relating to services provided as a property manager or leasing agent; and b. Express language detailing the scope of services to be provided under the property management agreement. This exclusion does not apply to incidental property management services when acting as listing agent and services are in connection to the listing or sale of Residential Property. 2. Claims arising from any property management services provided by You that are legally required to be handled by the property owner or an attorney licensed in the state where property is located. 3. Claims arising from management of property and relating to any actual or alleged bodily injury, mental anguish, humiliation, pain, suffering, sickness, disease or death of any person, emotional distress, or damage to or destruction of any tangible property including any resulting loss of use. Managing or implementing any construction, renovation, or reconstruction projects on any managed properties. Actual or alleged co-mingling of funds, or claims of funds being handled by unauthorized individuals. Non-compliance with regulatory requirements for persons with a physical handicap.



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 Colorado 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.

Colorado



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	Full Priors	Notes
Other	Individual Licensee only while transacting business under the First Named Insured	03-28-2022		No	



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**.

### Franchisors:

Name	Street	City, State, Zip
Realty One Group, Inc and Realty One Group Affiliates, Inc.	23811 Aliso Creek Road STE 168	Aliso Viejo, California, 92656





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**.

# Seller's 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. THIS POLICY IS WRITTEN WITH DEFENSE COSTS INCLUDED WITHIN THE LIMIT OF LIABILITY. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

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

## I. DEFINITIONS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## II. COVERAGE AGREEMENT

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

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

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

### III. EXCLUSIONS

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

1. **covered circumstance** from which, prior to the date of a **completed contract** the **seller** knew or could reasonably expect that a **claim** would arise;
2. loss, cost or expense, under any circumstances, due to nuclear reaction, radiation, or contamination or **pollutants**, regardless of cause;
3. intentional, dishonest or fraudulent act committed, in fact, by or on behalf of the **seller** to effectuate the sale of **residential property**;
4. **claim** made by or on behalf of the **seller** and/or **buyer** against the **named insured**, any employee of, or other individual retained by the **named insured**, resulting from professional services rendered or failed to be rendered by or on behalf of the **named insured**;
5. class action suit;
6. counter- **claim**, cross-complaint or similar action instituted against the **buyer** by the **seller**;
7. multiplication of amounts payable under this policy imposed by law; punitive or exemplary amounts; or, any matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed;
8. actual or alleged violation of the Employees Retirement Income Security Act of 1974, Public Law 93-406, commonly referred to as the Pension Act of 1974, or any Federal, State or Local Statutory Law or Common Law, or any of their amendments;
9. actual or alleged anti-trust law violation or agreement or conspiracy to restrain trade;
10. escrow amounts in connection with any **completed contract**;
11. fluctuation in market value, or condition, performance or suitability for use of any **residential property**;
12. failure to procure or maintain adequate insurance or bonds prior to the date of a **completed contract**;
13. **damage** to **residential property** known to have been sustained subsequent to the date of a **completed contract**.
14. **injury**, or **damage** to property not forming a part of the **residential property**;
15. contract or agreement for the assumption of liability to pay for known **damage** to any **residential property**;
16. actual or alleged discrimination, including but not limited to discrimination based on the religion, race, national origin, creed, sex, age, marital status, handicap or sexual preference.

### IV. LIMIT OF LIABILITY / DEDUCTIBLE

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

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

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

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

### V. CONDITIONS

#### A. Duties In The Event Of A Claim

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

The **seller** agrees to fully cooperate with us or our designee in the investigation, making of settlements, conduct of suits or other proceedings, or enforcing any right of contribution or indemnity against another who may be liable to the **seller** because of such **covered circumstance**.

The **seller** also agrees to immediately forward all documents received in connection with the **claim** to us, attend hearings and trials, assist in securing and giving evidence and obtaining the attendance of witnesses, and refuse, except at their own cost, to settle any **claim** voluntarily make any payments, assume any obligation or incur any expense without our prior written consent.

**B. Legal Action Limitation**

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

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

**C. Transfer of Rights of Recovery**

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

**D. Transfer of Interest**

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

**E. Changes**

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

**F. Other Insurance**

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

**G. Premium/Cancellation**

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

**H. Bankruptcy/Insolvency**

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

**I. Misrepresentation/Fraud**

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



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 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**.

**PART 9.** A copy of **Your Application** or **Renewal Application** is attached behind this page.  
Signature for application is on file.



# 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.

Mailing address :PO Box 29502 #69121 | Las Vegas, NV 89126-9502 | P:(858) 618-1648 | F:(858) 618-1655 | [cresinsurance.com](http://cresinsurance.com)  
 Payment address :PO BOX 847125 | LOS ANGELES, CA 90084-7125

## Named Insured Information

Name of Entity: Prestige Realty Group Inc License# 100071417  
 Preferred DBA Name (if any): Realty One Group Apex  
 Address: 15 Spectrum Loop, Suite 115 City: Colorado Springs State: Colorado Zip: 80921  
 Professional Memberships [i.e. Nat'l Assoc of Realtors (NAR)]: REALTOR,SRES  
 #Broker: 1 #Agents: 40 Full Time / 0 Part Time #Loan Officers: 0 #Unlicensed: 0

- 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?
- YES  NO Are you or anyone to whom this insurance would apply aware of any act, error, omission or other circumstance, including licensing or board complaints, 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? Has anyone received a subpoena or request for records associated with any transaction?
- 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?

## Insured Services Information

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

ACTIVITY	Past 12 Months	
	Gross Revenue	Total Trans Count Dual as 2
<i>Be sure to list all revenue for activities for which you are seeking coverage</i>		
<b>REAL ESTATE SALES</b>		
1-4 Residential Units <small>Includes Broker Held Escrow, Broker Price Opinions and Referrals</small>	\$900,000	101
5+ Residential Units	\$0	0
Office, Warehouse, Non-Anchor Retail	\$18,000	2
Raw, Vacant, or Partially Developed Land	\$25,000	6
<b>PROPERTY MANAGEMENT/LEASING</b>		
Property Management of Single family home up to a 4-plex	\$10,000	
Leasing of Single-family home up to a 4-plex	\$0	
5+ Residential Units	\$0	
Commercial	\$0	
Seasonal/Vacation Units	\$0	
<b>MISCELLANEOUS</b>		
Mortgage Brokering*	\$0	0
Mortgage Banking	\$0	0
3rd Party Escrow (Lic#)	\$0	0
Real Estate Counseling/Consulting	\$0	0
Residential Real Estate Appraisal	\$0	
Business Brokerage/Opportunities	\$0	0
Transaction Coordination	\$0	0
Other (Describe: )	\$0	0

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

### Residential Real Estate Details

Average Residential Sales Price in the past 12 Months: \$465,000

Top 3 Residential Sales Prices in the past 12 Months: \$ 2,250,000 \$ 1,186,772 \$ 985,000

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: 70%

Percent of closings which involve a Transaction Coordinator (must be someone other than the broker): 100%

YES  NO Does more than 25% of your activity come from the selling/buying of properties owned by you or your agents?

YES  NO Do You/Your Firm represent both sides of a single transaction (dual representation) more than 25% of the time?

**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?

**Land Details** (Residential/Commercial/Agricultural)

YES  NO Any transactions of raw/vacant land greater than 10 acre in the past 12 months?

YES  NO Land sales account for 30% or more of your total income?

**Appraisal**

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

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?

**Business Brokerage/Opportunity Details**

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

\$ 0 Type: \_\_\_\_\_ Building Included:  YES  NO

\$ 0 Type: \_\_\_\_\_ Building Included:  YES  NO

\$ 0 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?

**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?

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 PURPOSE ONLY AND NOT BIND THE COMPANY TO ISSUE INSURANCE.**

Name: Kerri Kilgore

Signature: \_\_\_\_\_ signature on file Date: 12-22-2022

**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.



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

Years of property management experience: 3 or More Years

If average years of experience for all staff handling property management services is less than 3 years, what oversight and training is provided for property managers of less experience? \_\_\_\_\_

Property management professional designations held: \_\_\_\_\_

Total # units managed: 5 Of units managed, how many tenants are more than 30 days past due on rent? 0

Consider you or any or you to whom this insurance will apply...	YES	NO
Ownership interest in any of the units managed? (IF YES, NOT COVERED)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are all managed properties in full compliance with statutory and regulatory requirements for persons with a physical handicap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Use a contract for all units managed that contain both a hold harmless and indemnification clause? (IF NO, CLAIMS NOT COVERED)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Use a contract for all units managed, that clearly defines the scope of services being performed? (IF NO, CLAIMS NOT COVERED)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
For all units managed, obtain proof of liability insurance from the owner?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Manage or implement any construction, renovation or reconstruction projects on the properties you manage?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
More than 25% of income from units financed by Housing and Urban Development (HUD) or any government subsidized housing program?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last five years, has any claim, suit, inquiry, complaint, notice of charge or notice of hearing related to the coverage applied for, been made or brought against the Applicant or any entity or person proposed for this insurance? These include but are not limited to actions involving (1) errors and omissions, (2) discrimination, or harassment (3) Fair Housing Act violations (4) wrongful eviction/personal injury.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Manage any community or home owners associations with greater than 30 units or associations less than 10 years old? (Leave Blank if not doing HOA Management)	<input type="checkbox"/>	<input type="checkbox"/>

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Use this link if you would prefer to complete online:

<https://info.cresinsurance.com/acton/fs/blocks/showLandingPage/a/3610/p/p-004b/t/page/fm/0>

---

This policy consists of:

Policy, including Declarations Page Forms & Endorsements  
Application

### **HDI Global Insurance Company**

---

In Witness Where of, 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.



---

Chief Legal Officer, Employee Experience Team Lead  
Michael Gooding



---

CEO & President  
James Clark

HDI Global Insurance Company  
HDI Specialty Insurance Company

Privacy Policy

We value your business and your trust in HDI. The privacy and confidentiality of your personal information is among our top priorities. This explains our practices and procedures for securing your personal information before, during and after your relationship with us. We will provide one copy of this Privacy Statement with each policy we issue. Additional copies of this statement are available upon request. Thank you for choosing HDI for your insurance needs.

### **How We Protect Your Information**

We understand the importance of securing your personal information. We have physical, electronic and procedural safeguards in place to protect your nonpublic personal data in compliance with applicable state federal laws. We restrict employee access to customer information only to those who have a business reason to know, in order to provide our products and services to you.

### **What Personal Information We Collect About You**

We collect nonpublic personal information about you from the following sources, only as our business needs require:

- Information received on applications and other forms – whether in writing, in person, by phone, electronically or by other means -such as names, addresses and employment information.
- Information about your transactions with us, our affiliates, or others associated with our business relationship, and information we receive from insurance agents, consumer reporting agencies, investigators connected with claims adjusting, state motor vehicle departments, inspection services, insurance support organizations or other sources as permitted or required by law.
- Information we receive in medical records or from medical professionals.
- Information otherwise obtained in the claims adjustment process, including litigation.

### **What Personal Information We Disclose About You**

We do not disclose any of our customers' or other persons' nonpublic personal information to anyone, except as permitted or required by law. Permitted disclosures include information to process transactions on your behalf, and information about you or about participants, beneficiaries or claimants under your insurance policy in the normal course of business.

## FRAUD WARNING NOTICES

Pursuant to statutory requirements, we are required to inform you of the specific fraud warning notice that is required on all applications for insurance. Please note that the state of New York requires a signature on the fraud warning.

<p>For all states not listed below, the following fraud warning notice applies:  <b>Fraud Warning Notice:</b> Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent act, which may subject the person to criminal and civil penalties.</p>	
State Fraud Warning Notices	
<b>Alabama</b>	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 is guilty of a crime and may be subject to restitution, fines, or confinement in prison, or any combination thereof.
<b>Arkansas</b> <b>District of Columbia</b> <b>Louisiana</b> <b>Rhode Island</b> <b>West Virginia</b>	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.
<b>California</b>	For your protection California law requires the following to appear on this form:  Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.
<b>Colorado</b>	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 for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
<b>Florida</b>	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
<b>Kentucky</b>	Any person who knowingly and with 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.

<b>Maine</b>	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or denial of insurance benefits.
<b>Maryland</b>	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.
<b>New Jersey</b>	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
<b>New Mexico</b>	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.
<b>Ohio</b>	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.
<b>Oklahoma</b>	WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.
<b>Oregon</b>	Fire: This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.
<b>Pennsylvania</b>	General: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim 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 subjects such person to criminal and civil penalties.  Auto: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000."
<b>Tennessee</b> <b>Virginia</b> <b>Washington</b>	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.

This page only applies to the state of New York.

<p><b>New York</b></p>	<p>General: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim 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.</p> <p>Auto: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, 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 value of the subject motor vehicle or stated claim for each violation.</p> <p>Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.</p> <p>The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.</p>
<p>SIGNED BY THE RISK MANAGER, IN-HOUSE GENERAL COUNSEL OR SENIOR OFFICER OF THE <b>INSURED</b> ACTING AS THE AUTHORIZED REPRESENTATIVE FOR PURCHASING INSURANCE.</p>	
<p>SIGNATURE</p>	
<p>NAME &amp; TITLE</p>	
<p>DATE</p>	

# Certificate

## SELLER'S PROTECTION PLAN

Selling your home doesn't end at the sale. Protecting yourself is important and by listing your home with an experienced professional, you've chosen an insured plan that covers you even after your real estate transaction.

The Seller's Protection Plan – administered by CRES– provides you coverage for up to 180 days after the close of escrow. In the event of any inadvertent errors or omissions related to the sale of your home and in the event of a claim, you'll receive up to \$25,000\* (including defense costs) which you would be legally obligated to pay.

Seller's Name(s)

Property Address

City/State/Zip

Real Estate Company/Agent

Closing Date



A Gallagher Affinity Division  
Arthur J. Gallagher Risk  
Management Services Inc.  
CA License# 0D692993  
For a list of complete license  
numbers by state, visit  
[www.cresinsurance.com](http://www.cresinsurance.com)

✂ Detach this section & return it with your payment ✂

Seller's Name(s): \_\_\_\_\_  
Seller's New Address: \_\_\_\_\_  
Real Estate Company: \_\_\_\_\_  
Agent Name: \_\_\_\_\_  
Address of Property Sold: \_\_\_\_\_  
Close of Escrow Date: \_\_\_\_\_

YES! I would like to purchase a 180-day extension for only \$100\* (\$200 for CA)

\*To activate your extension, complete this form & mail it along with your payment and closing statement within 15 days of the close of escrow

Make check payable to:  
CRES Insurance Services  
See reverse for mailing instructions

\$2,500 retention applies. Coverage subject to terms, conditions & exclusions of the policy.

# SELLER'S PROTECTION PLAN ENROLLMENT FORM

# SELLER'S PROTECTION PLAN SUMMARY SHEET

**What's Covered?** This policy will pay on behalf of you, the seller, all amounts, including defense costs, up to \$25,000 over the \$2,500 retention, which you become legally obligated to pay as a result of a covered circumstance. The covered circumstance must happen and claim must be reported within the coverage period. A covered circumstance means a lawsuit, arbitration or mediation proceeding, or alternate dispute resolution proceeding to which you submit, with our consent, instituted against you by the buyer, resulting from actual or alleged undisclosed defects in residential property which is your principal residence. For your coverage to be valid your broker's policy with us must be in effect at the time of the completed contract (your closing) and when the claim is made against you.

**What's NOT Covered?** All insurance products have exclusions, or situations they don't cover. The major exclusions in this coverage include:

- Intentional, dishonest or fraudulent act(s) committed by you or on your behalf
- Covered circumstances of which you had knowledge prior to closing
- Claims by you against your real estate broker and/or agent
- Claims involving escrow monies
- Claims for damages to the residential property sustained subsequent to closing escrow
- Claims against you not involving your principal residence

**How Does it Work?** Because your real estate broker cares about your peace of mind, you will be automatically enrolled in the SPP Program. Coverage begins on the date of the completed contract (closing) and continues for 180 days. You have the option to extend your coverage for an additional 180 days, for a total of 360 days. If you wish to extend your coverage, you must complete the attached enrollment form and mail it in along with your check and closing statement within 15 days of escrow. You may also contact CRES at (858) 618-1648. No additional extensions are available. The SPP is fully earned and non-refundable.

**What Do I Do in the Event of a Claim?** Since you are working with a highly professional real estate broker, we are confident you won't have any problems. If a problem develops between you and the buyer, please call us as soon as possible at (858) 618-1648. Don't wait until it becomes a lawsuit. Early intervention is often the key to a favorable outcome.

THIS DOCUMENT IS AN OVERVIEW AND SUMMARY OF COVERAGE. FOR A COPY OF THE ACTUAL ENDORSEMENT AND ALL TERMS AND CONDITIONS WHICH APPLY, CONTACT CRES AT (858) 618-1648.

Your Agent/Broker has a business relationship with the Real Estate Services Council Risk Purchasing Group, which is a casualty insurance buying and risk management collective. Through this relationship, in addition to the protection you receive, your Agent/Broker may also receive more protection because your home warranty belongs to a class of warranties that afford superior protection. This additional protection is in the form of a reduced retention in case there is a claim for money or services arising from their representation in the purchase and sale of your home.

Please mail your completed enrollment form and payment to:

**CRES A Gallagher Affinity Division**  
**AVG RMS Inc CRES AF**  
**PO Box 95632**  
**Chicago, IL 60694**



CRES A Gallagher Affinity Division | PO Box 29502 #69121. Las Vegas, NV 89126-9502  
P: (858) 618-1648 | F: (858) 618-1655 | [cresinsurance.com](http://cresinsurance.com) | [info@cresinsurance.com](mailto:info@cresinsurance.com)