

- | | |
|--|--|
| <input type="checkbox"/> AIU Insurance Company | <input type="checkbox"/> Illinois National Insurance Company |
| <input type="checkbox"/> American International South Insurance Company | <input checked="" type="checkbox"/> National Union Fire Insurance Company of Pittsburgh, Pa. |
| <input type="checkbox"/> Birmingham Fire Insurance Company of Pennsylvania | <input type="checkbox"/> National Union Fire Insurance Company of Louisiana |
| <input type="checkbox"/> Granite State Insurance Company | <input type="checkbox"/> New Hampshire Insurance Company |

(each of the above being a capital stock company)

(This policy is issued only by the insurance company indicated by the box checked above.)

COLORADO REAL ESTATE LICENSEE PROFESSIONAL LIABILITY INSURANCE

NOTICE: This is a claims made policy. Except to such extent as may otherwise be provided herein, the coverage of this policy is limited to liability for only those claims that are first made against you and reported in writing to us during the policy period. Please read the Policy Carefully and discuss the coverage thereunder with your insurance agent or broker.

DECLARATIONS

Policy Number: 561-87-31

Named Insured and Address (No., Street, , State)

Retroactive Date: PER CERTIFICATE OF INSURANCE

PER CERTIFICATE OF INSURANCE

Policy Term (Mo., Day. Yr.)

From: PER CERTIFICATE OF INSURANCE

To: January 1, 2007

12:01 A.M. Standard Time at the address of the Named Insured as stated above.

Limits of Liability

Premium

Coverage A: Real Estate Licensee Professional Liability

Each Wrongful Act Limit:	\$ PER CERTIFICATE OF INSURANCE	\$ PER CERTIFICATE OF INSURANCE
Aggregate Limit:	\$ PER CERTIFICATE OF INSURANCE	

Coverage B: Lock Box Property Damage Liability

Each Occurrence Limit:	\$100,000	Included
Aggregate Limit:	\$300,000	

Deductible: \$ 1,000 Applies to Coverage A

Deductible: \$ 0 Applies to Coverage B

Form Numbers of Policy Provisions and Endorsements forming a part of this policy at inception:

Form Number	Title
83750 (12/03)	Colorado Real Estate Licensee Professional Liability Insurance Policy Claims-Made
51846 (12/03)	Colorado Disclosure Form – Claims Made Policy
83751 (12/03)	Licensed Appraisal Endorsement - APPLIES IF SHOWN ON CERTIFICATE OF INSURANCE

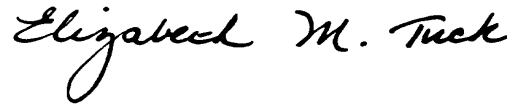
NOTICE OF CLAIM: In the event of a claim, notice should be sent to:

AIG Technical Services, Inc.
P.O. Box 1000
New York, NY 10268
Attn: Professional Liability Division

IN WITNESS WHEREOF, we have caused this policy to be signed on this declarations page by our President, a Secretary and our duly authorized representative.



PRESIDENT



SECRETARY

Richard D. Williams, III
AUTHORIZED REPRESENTATIVE

COUNTERSIGNATURE

11/1/2005

DATE

Jeffersonville, IN

COUNTERSIGNED AT



Colorado Real Estate Licensee Professional Liability Insurance Policy – Claims Made

THIS IS A 'CLAIMS MADE' POLICY. PLEASE READ ALL PROVISIONS AND CONTACT OUR AUTHORIZED REPRESENTATIVE IF YOU HAVE ANY QUESTIONS. THE POLICY APPLIES ONLY TO WRONGFUL ACTS AND LOCK BOX PROPERTY DAMAGE OCCURRENCES THAT OCCUR BETWEEN YOUR RETROACTIVE DATE AND THE END OF THE POLICY PERIOD. THE POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST AN INSURED AND REPORTED TO US ON OR AFTER THE INCEPTION DATE AND BEFORE THE END OF THE POLICY PERIOD. UPON TERMINATION OF YOUR POLICY, AN EXTENDED REPORTING PERIOD MAY BE AVAILABLE.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and what is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown on the Declarations who holds an active and valid real estate entity, salesperson or broker license issued by the Colorado Real Estate Commission. The words "we," "us" and "our" refer to National Union Fire Insurance Company.

The word "insured" means any person or organization qualifying as such under **WHO IS AN INSURED (SECTION II)**.

Other words and phrases that appear in quotation marks are defined in **DEFINITIONS (SECTION V)** of this policy.

In consideration of the payment of the premium when due, and:

- a. In reliance upon the statements made in the Declarations; and
- b. Subject to the Limits Of Liability, Deductibles, Exclusions, Definitions, Conditions and all other terms of this policy, including those modified, replaced by or added by endorsements we issue forming a part of this policy, we agree with you as follows:

SECTION I - COVERAGES

Insuring Agreements

- 1. We will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as "damages" because of:
 - A. Real Estate Licensee Professional Liability
 - A "wrongful act" in the rendering or failure to render "real estate services;" or
 - B. Lock Box Property Damage Liability
 - "Lock box property damage" which occurs in the performance of your "real estate services;

to which this policy applies.

- 2. We will have the right and duty to defend any "claim" or "suit" seeking "damages" in 1. above, even if such "claim" or "suit" is groundless, false or fraudulent. We have no duty to defend any "claim" not covered by this policy.

We shall have the right to appoint counsel and to make such investigation and defense of any "claim" as we deem necessary. In the event that a "claim" shall be subject to arbitration or mediation, we shall be entitled to exercise all of the insured's rights in the choice of arbitrators or

mediators and in the conduct of any arbitration or mediation proceeding.

- 3. We will not settle any "claim" without the prior consent of the insured. If, however:
 - a. The insured refuses to consent to a settlement or compromise recommended by us and which is acceptable to the claimant, or continues legal, arbitration or mediation proceedings, or otherwise contests such "claim," then our liability shall be limited to the amount for which the "claim" could have been settled, including all expenses incurred up to the time of such refusal or continuation of proceedings.
 - In such event, we shall have the right to withdraw from the further investigation, defense, or settlement of such "claim" by tendering control of said investigation, defense or settlement to the insured;
 - b. If the insured is:
 - (1) Willing to accept a settlement which is acceptable to the claimant, we shall have the right to litigate, arbitrate or mediate in lieu of such settlement and will bear all expenses subsequently

incurred and any "damages" in excess of the amount for which the "claim" could have been settled; or

- (2) Unwilling to appeal a judgment that we wish to appeal, then we have the right to litigate, arbitrate, mediate or appeal such judgment at our own expense.

In either case, a subsequent increase in the settlement or judgment amount shall not be applied against the policy limit.

4. The amount we will pay for "damages" is limited as described in **LIMITS OF LIABILITY AND DEDUCTIBLE (SECTION III)**. We have no other obligation to pay anything unless explicitly provided for under **DEFENSE AND ADDITIONAL EXPENSES (SECTION VI)**.
5. Our right and duty to defend will end when we have used up the applicable limit of liability in the payment of judgments or settlements to which this policy applies.
6. This policy applies to a "wrongful act" or "lock box property damage" only if:
 - a. (1) The "wrongful act" takes place; or
(2) The "lock box property damage" is caused by an "occurrence" that takes place in the "coverage territory;"
 - b. Did not occur before "your retroactive date" or after the end of the "policy period," and
 - c. Prior to the inception date of this policy, the insured had no knowledge of:
 - (1) The "wrongful act," "occurrence" or any resulting "claim" or "suit;" or
 - (2) Any "wrongful act" or "occurrence" which would result, or could have reasonably been expected to result in a "claim" or "suit"Whether or not notice of any such "claim" or "suit" was furnished to any other insurer; and
 - d. A "claim" for "damages" because of the "wrongful act" or "occurrence" is first made against any insured and reported to us or our authorized representative while your coverage is in effect or any Extended Reporting Period we provide to you under **EXTENDED REPORTING PERIODS (SECTION VII)**.
7. A "claim" by a person or organization seeking "damages" will be deemed to have been made when notice of such "claim" is received by us or our authorized representative.

Exclusions

This policy does not apply to any "claim" or "suit" arising out of or in any way connected to:

- a. "Bodily injury," "property damage," "personal injury" or "advertising injury."

This exclusion does not apply to "lock box property damage."

- b. (1) Dishonest, fraudulent, criminal, or malicious acts or omissions including concealment or intentional misrepresentation (except "fair housing discrimination" as provided under item 7. in **DEFENSE AND ADDITIONAL EXPENSES (SECTION VI)**); or

- (2) Unfair competition, piracy, or any theft or wrongful taking of concepts or other intellectual property;

while performing "real estate services".

This exclusion does not apply to any insured who did not personally commit, acquiesce in, or remain passive after having knowledge of the actions giving rise to any "claim" or "suit."

- c. Any:

- (1) Conversion, misappropriation, commingling, or defalcation of funds or other property;

- (2) Failure to pay fees or commissions, including finder's fees or commissions; or

- (3) Inability or failure to pay money held for others.

- d. Any actual or alleged violations of

- (1) The Employee Retirement Income Security Act of 1974, Public Law 93-406, commonly referred to as the Pension Reform Act of 1974, or any similar federal, state, or local statute, law, or common law, or any of their amendments;

- (2) The Securities Act of 1933;

- (3) The Securities Exchange Act of 1934; or

- (4) Any state Blue Sky or Securities law;

or any rules, regulations, or amendments issued in relation to such acts, or any similar state or federal statutes or regulations, including any "claim" based upon common law principles of liability if made in connection with an actual or alleged violation of any such statute or regulations.

- e. The failure to purchase or maintain any insurance or bonds.

- f. (1) Unlawful discrimination, humiliation, harassment, or misconduct because of, but not limited to, race, creed, color, age, sex, national origin, religion, handicap, or marital status (except "fair housing discrimination" as provided under item 7. in **DEFENSE AND ADDITIONAL EXPENSES, SECTION VI**).

- (2) Employment related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination, including, but not limited to a refusal to employ a person, or termination of any person's employment.

This exclusion also applies:

- (a) To the spouse, child, parent, brother or sister of a person as a consequence of any "damages" to a person at whom any of the employment related practices described in paragraph (2) above is directed;
- (b) Whether the insured may be held liable as an employer or in any other capacity; and
- (c) To any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.

g. Any loss, cost or expense arising out of any:

- (1) Actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants;
- (2) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of pollutants;
- (3) "Claim" or "suit" by or on behalf of a governmental authority for "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants; or
- (4) Failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess the effects of or advise of the existence of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

h. Any "damages," judgments, settlements, loss, costs or expenses that:

- (1) May be awarded or incurred by reason of any "claim" or "suit" alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the asbestos hazard, radon hazard, or the lead hazard;
- (2) Arise out of any request, demand or order to test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize

or in any way respond to or assess the effects of an asbestos hazard, radon hazard, or lead hazard; or

- (3) Arise out of any "claim" or "suit" for "damages" because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an asbestos hazard, radon hazard, or a lead hazard.

As used in this exclusion:

- (1) Asbestos hazard means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form;
- (2) Lead hazard means an exposure or threat of exposure to the actual or alleged properties of lead and includes the mere presence of lead in any form; and
- (3) Radon hazard means an exposure or threat of exposure to the actual or alleged properties of radon and includes the mere presence of radon in any form.

i. Any "claim" based upon or arising out of the formation, syndication, operation or administration of any corporation, general or limited partnership, joint venture or real estate investment trust.

j. Any "claim" arising out of liability assumed under any indemnity, hold harmless or similar provision or agreement, but this exclusion does not apply to liability you would have in the absence of such agreements.

k. Any "claim" made by an insured under this policy against any other insured unless such "claim" arises out of "real estate services" rendered in a Realtor - client relationship.

l. Any "claim" arising from the management or sale of property in which:

(1) You or your spouse have more than a twenty five percent (25%) financial or ownership interest; or

(2) A real estate broker, spouse of a real estate broker or organization in which you as a real estate licensee has more than a twenty five percent (25%) financial or ownership interest; or

Any "claim" arising from the management or sale of property that is developed, constructed or owned by:

(3) Any entity in which you or your spouse has more than a twenty five percent (25%) financial or ownership interest; or

(4) A real estate broker, spouse of a real estate broker or organization in which you as a real estate licensee has more than a twenty five percent (25%) financial or ownership interest.

This exclusion does not apply to "claims" arising:

- (a.) from the management or sale of property acquired by you under a "Guaranteed Sale Listing Contract" within the first year you acquire such property provided the property is listed for sale during the entire year; or
- (b.) from the sale or listing of your primary or principle residence provided the sale or listing is performed under the real estate license laws of Colorado. Does not include For Sale By Owner sales or listings .

m. Actual or alleged injury, damage, expense, cost, liability, or legal obligation arising out of or in any way related to the actual, alleged, threatened inhalation of, ingestion of, contact with, exposure to, existence or presence of, any Fungi, regardless of whether any other causes, events, material or product contributed concurrently or in any sequence to such injury, damage, expense, cost, loss, liability, or legal obligation.

SECTION II - WHO IS AN INSURED

Each of the following is an insured, but only with respect to "real estate services:"

1. You if you:
 - a. Are a resident of the state of Colorado or a non resident of Colorado working for or representing a real estate firm licensed and located in Colorado;
 - b. Hold a valid real estate license issued under the laws of the State of Colorado; and
 - c. Have paid the premium charged for this coverage.
2. You if you:
 - a. Are not a resident of the state of Colorado and do not work for or represent a real estate firm licensed and located in Colorado;
 - b. Hold a valid real estate license issued under the laws of the State of Colorado; and
 - c. Have paid the premium charged for this coverage.
3. Your employees and assistants who are not required to be licensed under Colorado real estate licensing law, while acting on your behalf.
4. The organization you work for or represent, including your Franchise grantor, but only with respect to the conduct of your "real estate services."
5. Your estate, heirs, executors, administrators, and legal representatives, in the event of your death, disablement, incapacity, insolvency, or bankruptcy, but only as respects liability arising out of "real estate services" rendered prior to your death, disablement, incapacity, insolvency, or bankruptcy.

SECTION III - LIMITS OF LIABILITY AND DEDUCTIBLES

1. The Limits of Liability shown in the Declarations, the expenses with respect to item 7. in **DEFENSE AND ADDITIONAL EXPENSES (SECTION VI)** and the rules below are the most we will pay regardless of the number of:
 - a. "Claims" made or "suits" brought; or
 - b. Persons or organizations making "claims," "suits," or initiating proceedings.
2. Each of the limits applies separately to the insured described in item 1 and 2 of **WHO IS AN INSURED (SECTION II)**. However, all persons or organizations qualifying as an insured under **WHO IS AN INSURED (SECTION II)** share in a single limit with such insured described in item 1 and 2 regardless of the number of:
 - a. "Claims" made or "suits" brought; or
 - b. Persons or organizations making "claims," "suits," or initiating proceedings.
3. The **Coverage A Real Estate Licensee Professional Liability Aggregate Limit** is the most we will pay for the sum of all "damages" arising out of "wrongful acts" in the rendering or failure to render "real estate services" and the expenses with respect to item 7. in **DEFENSE AND ADDITIONAL EXPENSES (SECTION VI)** for any one "policy period" including any applicable Extended Reporting Period, except, if by endorsement to this policy the additional extended reporting period applies, a separate aggregate limit shall be reinstated to 100% of the aggregate limit that applies to the expiring "policy period" but only for "claims" first received and recorded during the additional extended reporting period.
 The reinstatement of the aggregate limit is provided one time only, regardless of the number of involved insureds, length of the extended reporting period, or any other factor.
4. Subject to 3. above, the **Each Wrongful Act Limit** is the most we will pay for any "wrongful act" for the sum of all "damages" sustained by any one person or organization, arising out of any one "claim."
 Two or more "claims" arising out of a single "wrongful act" or a series of related "wrongful acts" shall be considered one "claim." Any such "claim(s)," whenever made and reported to us:
 - a. Shall be considered as first made and reported to us as soon as the earliest "claim" arising out of such "wrongful acts" was first made and reported to us or our authorized representative;
 - b. Shall be subject to the Each Wrongful Act Limit; and
 - c. Shall be subject to the Each Wrongful Act Deductible.

5. The **Coverage B Lock Box Property Damage Liability Aggregate Limit** is the most we will pay for all "damages" arising out of "lock box property damage" for any one "policy period" including any applicable Extended Reporting Period, except, if by endorsement to this policy the additional extended reporting period applies, a separate aggregate limit shall be reinstated to 100% of the aggregate limit that applies to the expiring "policy period" but only for "claims" first received and recorded during the additional extended reporting period.

The reinstatement of the aggregate limit is provided one time only, regardless of the number of involved insureds, length of the extended reporting period, or any other factor.

6. Subject to 5. above, the **Each Occurrence Limit** is the most we will pay for any "lock box property damage" for all "damages" arising out of any one "occurrence."

Any such "claim(s)," whenever made and reported to us:

- a. Shall be considered as first made and reported to us as soon as the earliest "claim" arising out of such "occurrence" was first made and reported to us or our authorized representative;
- b. Shall be subject to the Each Occurrence Limit; and
- c. Shall not be subject to the Each Wrongful Act Deductible or any other deductible.

7. Subject to the Limits of Liability and all other terms and conditions of this policy, our obligation to pay "damages" on your behalf applies only to the amount of "damages" in excess of the Each Wrongful Act Deductible amount stated in the Declarations.

You shall pay the full amount of the Each Wrongful Act Deductible for each "claim" made against an insured except no deductible shall apply to "lock box property damage" "claims." You shall make direct payments of "damages" within the deductible amount to appropriate parties as designated by us. If we advance any such payments, you shall promptly reimburse us. If you fail to make direct payments or to reimburse us as described above, all insureds against whom the "claim" has been made are jointly and severally liable for such amounts.

SECTION IV - CONDITIONS

1. Cancellation

- a. If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to You, written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

- (2) 45 days before the effective date of cancellation if we cancel for any other reason.

- b. We will mail or deliver to You, our notice to the last mailing address known to us.
- c. Notice of cancellation by us will state the effective date of the cancellation. The "policy period" will end on that date.
- d. If notice is mailed, proof of mailing will be sufficient proof of notice.
- e. If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy by mailing through first-class mail to You written notice of cancellation:

- (1) Including the actual reason, at least 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or

- (2) At least 45 days before the effective date of cancellation if we cancel for any other reason.

We may only cancel this policy based on one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) A false statement knowingly made by the insured on the application for insurance; or
- (c) A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless You have notified us of the change and we accept such change.

2. When We Do Not Renew

If we decide not to renew this policy, we will mail through first-class mail to You notice of the nonrenewal at least 45 days before the expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

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

If we offer to renew this policy and You does not accept our offer during the current "policy period," this policy will expire at the end of such "policy period."

3. Changes

This policy contains all the agreements between you and us concerning the insurance afforded.

If the terms are changed, the changes will be shown in an endorsement issued by us and made a part of this policy.

4. Conformity To Other State's Mandatory Programs

Any part of this policy which conflicts with any law provided by an "other state's mandatory program" is automatically amended to conform with the law of the "other state's mandatory program" providing the insured:

- a. Holds a valid real estate license issued under the laws of the "other state's mandatory program;"
- b. Is not a resident in the state of the "other state's mandatory program;" and
- c. Conducts their "real estate services" in the state of the "other state's mandated program."

The "other state's mandatory program" means a program requiring the purchase of primary real estate licensee professional liability or primary real estate licensee errors and omissions liability insurance as mandated by state's, other than the state of Colorado, statutes or regulations.

5. Duties In The Event Of Proceeding, "Claim" or "Suit"

- a. You must notify us or our authorized representative as soon as practicable of a "wrongful act" or "occurrence" which results in a "claim" under this policy.

To the extent possible, notice should include:

- (1) How, when and where the "wrongful act" or "occurrence" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any "damages" arising out of the "wrongful act" or "occurrence."

- b. If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us or our authorized representative in writing as soon as practicable.

- c. You and any other insured must:

- (1) Immediately send us or our authorized representative copies of any demands, notices, summons or legal papers received in connection with the "claim" or "suit;"
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the "claim" or "suit;" and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of

"damages" to which this policy may also apply.

- d. No insureds will, except at their own cost, make a payment, assume any obligation, or incur any expense without our consent. Such consent shall not be unreasonably withheld.

6. Reporting of "Wrongful Acts" or "Occurrences" That May Give Rise to a Claim

- a. If during the the "policy period" you become aware of a specific "wrongful act" or "occurrence" that may reasonably be expected to give rise to a "claim" against you, and if you report such specific "wrongful act" or "occurrence" to the Company during the "policy period" in writing, then any "claim" subsequently arising from such specific "wrongful act" or "occurrence" duly reported in accordance with this paragraph shall be deemed under this Policy to be a "claim" made during the "policy period". Such written notice to the Company shall include:

- (1) particulars as to the reasons for anticipating such a "claim"; and
- (2) the nature and dates of the alleged "wrongful act" or "occurrence;" and
- (3) the alleged "damages" sustained; and
- (4) the names of potential claimants, if available; and
- (5) the manner in which you first became aware of the specific "wrongful act" or "occurrence."

7. Fraud and Misrepresentation

No oral or written misrepresentation or warranty made by you prior to the inception of this policy shall be deemed material or defeat or void this policy or prevent it attaching, unless the misrepresentation or warranty was made with the intent to deceive.

8. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for "damages" from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for "damages" that are not payable under the terms of this policy or that are in excess of the limit of liability.

An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

9. Other Insurance

This insurance is primary insurance except if the "claim" or "suit" is brought when the **EXTENDED REPORTING PERIOD (SECTION VII)** applies. If this insurance is primary and there is other valid and collectible insurance, we will pay the portion of "damages," in excess of the Each Wrongful Act Deductible, which equals our percentage of the total of all limits that apply.

All insurance afforded by the **EXTENDED REPORTING PERIOD (SECTION VII)** is excess over any other insurance, whether primary, excess, contingent or on any other basis, (except when purchased specifically to apply in excess of this insurance); including insurance that is effective prior to the beginning of the "policy period" shown in the Program Declarations and applies to "wrongful acts" or "occurrence" on other than a claims-made basis, if the other insurance has a policy period which continues after "your retroactive date."

When this insurance is excess over other insurance we have no duty to defend any "claim" or "suit." We will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- a. The total amount that all such other insurance would pay for "damages" in the absence of this insurance; and
- b. The total of all applicable deductible and self-insured amounts under all that other insurance.

10. Premiums

All premiums are considered fully earned on the inception date shown in the Declarations. No return premiums will be given unless this policy is canceled by us.

11. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or a part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

We shall not exercise any such rights against any person, firms, or other entities included as insureds under **WHO IS AN INSURED (SECTION II)**. However, we reserve the right to exercise any rights of recovery against an insured with respect to any "claim" brought about by, or attributed to, the intentional, dishonest, fraudulent, criminal, or malicious act or omission of such insured.

12. Transfer Of Your Rights And Duties Under This Policy.

Your rights and duties under this policy may not be transferred without our written consent.

SECTION V - DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following "offenses" committed in the course of advertising your goods, products or services:
 - a. 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;
 - b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from any of these at any time.
3. "Claim" means a demand received by any insured for "damages," including the institution of a "suit" or arbitration proceeding against any insured.
4. a. "Coverage territory," as respects a resident licensee as described in item #1. of **WHO IS AN INSURED (SECTION II)**, means all parts of the world if the insured's responsibility to pay "damages" is determined in a "suit" on the merits in the United States of America (including its territories and possessions), Puerto Rico or Canada.

We may, however, elect where permitted by law, at any time to investigate, settle, or defend "claims" made anywhere other than the United States of America, its territories, possessions, Puerto Rico or Canada. If we do not make such election, then the insured agrees to make, or cause to be made, under our supervision, such investigation and defense as is reasonably necessary.
- b. "Coverage territory," as respects a non-resident licensee as described in item #2. of **WHO IS AN INSURED (SECTION II)**, means real estate located in the State of Colorado if the insured's responsibility to pay "damages" is determined in a "suit" on the merits in the United States of America (including its territories and possessions), Puerto Rico or Canada.
5. "Damages" means compensatory "damages" which an insured becomes legally obligated to pay. "Damages" does not include fines, sanctions or penalties against any insured, or the return or reimbursement of fees for "real estate services."
6. "Fair housing discrimination" means the violation of Title VIII of the Civil Rights Act of 1968 or the Fair Housing Amendment Act of 1998, and any similar federal, state or local law or ordinance.
7. "Fungi" means any type or form of fungus, mold, mildew, mycotoxins, spores, or scents or by-

products produced or released by "fungi," but does not include any fungi intended by the insured for human consumption.

8. "Guaranteed sale listing contract" means a written agreement between you and the seller of a property, in which you agree to purchase the property if it is not sold under the listing agreement in the time frame specified by the agreement.
9. "Lock box property damage" means "property damage" to tangible property arising out of your distribution, maintenance, operation or use of a lock box or keyless entry system on property not owned by you which:
 - a. Is in your care, custody and control;
 - b. You have shown or listed for sale: and
 - c. Is protected by a lock box, keyless entry system or similar device.
10. "Occurrence" means, with respect to "lock box property damage," an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
11. "Offense" means, with respect to:
 - a. "Advertising injury," an offense described in the definition of "advertising injury;"
 - b. "Personal injury," an offense described in the definition of "personal injury;"All "advertising injury" or "personal injury" arising out of the repeated publication of the same or similar material, regardless of the mode in which such material is communicated, shall be considered as arising solely out of one "offense."
12. "Personal injury" means injury, arising out of your "real estate services", other than "bodily injury" or "advertising injury," arising out of one or more of the following "offenses":
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
 - d. 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; or
 - e. Oral or written publication of material that violates a person's right of privacy.
13. "Policy period" means the period beginning with the inception date shown in the Declarations and ending with the earlier of:
 - a. The date of cancellation of this policy;
 - b. The expiration date shown in the Declarations;or

- c. The date your coverage ends under this policy if different from a. or b. above.

14. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.

15. "Real estate services" means services performed or advice given by the insured in their capacity as:

- 1) A broker, a principle broker or affiliate broker as defined in Colorado Real Estate Broker Licensee and Commission Law, Title 12, Article 61-101, C.R.S. et. seq. as broker, agent or salesperson; or
- 2) A real estate consultant or counselor, independent real estate contractor licensed in accordance with Colorado Real Estate Broker License and Commission Law, Title 12, Article 61. C.R.S. et seq.

"Real estate services" includes notary public and escrow agent services performed or advise given by the insured while acting within the above referenced capacity.

Escrow agent services means handling of funds for an escrow or trust account when such funds are:

- a) In the form of United States currency, certified check, guaranteed check or money order;
- b) Held separate from your funds; and
- c) Distributed in their entirety with twelve (12) months from the date received.

16. "Suit" means a civil proceeding in which "damages" to which this policy applies are alleged.

"Suit" includes:

- a. An arbitration proceeding in which such "damages" are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which you submit with our consent.

17. "Your retroactive date" means the date shown on the Declarations and is the earliest date that this agreement will apply to "wrongful acts" or "lock box property damage" caused by an "occurrence" covered under this policy. If no date is shown on the Declarations, "Your retroactive date" will be the date your coverage began under this policy.

18. "Wrongful act" means a negligent act, error or omission.

SECTION VI - DEFENSE AND ADDITIONAL EXPENSES

We will pay, with respect to any "claim" or "suit" we defend:

1. All expenses we incur except as noted in 7. below.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of liability. We do not have to furnish these bonds.
3. An insured's actual loss of earnings, up to \$250 per day, resulting from time off from work because of our request for assistance in the investigation or defense of a "claim" or "suit."
4. All costs taxed against the insured in the "suit."
5. All prejudgment interest awarded against an insured on that part of the judgment we pay. However, if we make a settlement offer to pay the available limit of liability, we will not pay the prejudgment interest that accumulates after the date of our offer.
6. All 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.

Any amounts paid under 1. through 6. above will not reduce the limits of liability and are not subject to a deductible. Our duty to make such payments ends, however, when we have used up the limits of coverage that apply with the payment of "damages".

We will also pay:

7. "Damages" and expenses, up to a maximum sum of \$25,000 per "claim," for "claims" arising from an act of "fair housing discrimination", even if deemed intentional by adjudication, not withstanding exclusions b. (1) and f. (1) **(SECTION I).**

Two or more "claims" arising from a single act of "fair housing discrimination" or a series of related acts of "fair housing discrimination" shall be considered one "claim" and shall be considered as first made and reported to us as soon as the earliest "claim" was first made and reported to us or our authorized representative:

The coverage provided under this item 7. is subject to the Aggregate Limit; and all "damages" and expenses paid hereunder shall be included in such limit and shall be subject to the Each Wrongful Act Deductible.

We will not pay "damages" or expenses above the sum provided for in item 7 and our duty to defend will end when we have used up the above limit in the payment of judgment, settlements and expenses to which item 7 applies.

SECTION VII - EXTENDED REPORTING PERIOD

1. Basic Extended Reporting Period

- a. We will automatically provide a Basic Extended Reporting Period, at no additional charge, starting with the end of the "policy period," and lasting for a period of ninety (90) days if your coverage under this policy is canceled or nonrenewed for any reason.
- b. The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims."
- c. The Basic Extended Reporting Period does not apply to "claims" if you purchase the Additional Extended Reporting Period described in item 2. below.
- d. The additional time period of ninety (90) days does not extend the "policy period," change the scope of coverage provided, or reinstate or increase the limits of liability.

2. Additional Extended Reporting Period

- a. If your coverage under this policy is canceled or nonrenewed for any reason other than non payment of premium, we will offer, for an additional premium, an Additional Extended Reporting Period.
- b. The Additional Extended Reporting Period Option starts with the end of the "policy period" and lasts for three (3) years.
- c. The additional premium for the Additional Extended Reporting Period Option shall be two hundred percent (200%) of your full expiring annual premium.
- d. We will issue an Additional Extended Reporting Period endorsement only if:
 - (1) You request it within ninety (90) days of the end of the "policy period;"
 - (2) You have paid all premiums due for this policy at the time you request an Additional Extended Reporting Period Endorsement; and
 - (3) You promptly pay when due the additional premium for the endorsement.
- e. During the Additional Extended Reporting Period, coverage under this policy applies as excess over any valid and collectible insurance available under policies in force after such Extended Reporting Period starts.
- f. The Additional Extended Reporting Period does not extend the "policy period" or change the scope of coverage provided. It only applies to "claims" for "wrongful acts" committed before the end of the "policy period" but not before "your retroactive date;"

- g. The Additional Extended Reporting Period reinstates the aggregate limit of liability at the end of the "policy period" to the amount specified as the aggregate limit on the Declarations. The reinstatement of the aggregate limit is provided one time only for each licensee, regardless of the number and type of Extended Reporting Periods issued, the number of involved insureds, or any other factors;
- h. The Additional Extended Reporting Period is not renewable; and
- i. Cannot, once in effect, be canceled. We need not return any part of the premium paid for any reason whatsoever.

SECTION VIII - NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM)

- 1. This policy does not apply:
 - a. To any "damages:"
 - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - b. To any "damages" resulting from the "hazardous properties" of "nuclear material," if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (3) The "damages" arise out of the furnishing by an insured of services, materials, parts

or equipment in connection with the planning, construction, maintenance, operations or use of any "nuclear facility."

- 2. As used in this exclusion:
 - "Hazardous properties" include radioactive, toxic or explosive properties;
 - "Nuclear material" means "source material," "special nuclear material" or "by-product material;"
 - "Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
 - "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor;"
 - "Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility." "Nuclear facility" means:
 - (a) Any "nuclear reactor;"
 - (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "waste;"
 - (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste;"
 - and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
 - "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
 - "Damages" include all forms of radioactive contamination of property.

IMPORTANT NOTICE TO COLORADO POLICYHOLDERS

DISCLOSURE FORM – POLICIES CONTAINING CLAIMS-MADE COVERAGE

THIS DISCLOSURE FORM IS NOT YOUR POLICY. IT MERELY DESCRIBES SOME OF THE MAJOR FEATURES OF THE CLAIMS MADE COVERAGE OF YOUR POLICY. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

Your policy is a claims-made policy. It applies only to claims made against you on or after the inception date and before the end of the policy period involving injury or damage that occurs after the policy retroactive date. Upon termination of your policy, an “extended reporting period” or “discovery period” may be available for an additional premium.

OCCURRENCE VS. CLAIMS-MADE

There is no difference in the kinds of events covered by either an “occurrence” policy or a “claims-made” policy. Claims for damages may be assigned to different policy periods, however, depending on which policy you have purchased.

In an “occurrence” policy coverage is provided for liability because of damage or events that occur during the policy period, no matter when the claim is made

In your “claims-made” policy, coverage is provided only if a claim is made during the policy period or any applicable extended reporting period. A claim first made during the policy period could be charged against a claims-made policy even if the injury/wrongful act/loss occurred many years prior to the policy period. If a claims-made policy has a retroactive date, an injury/wrongful act/loss occurring prior to that date is not covered.

In general, the nature of claims-made coverage is such that during the first several years of continuing claims-made coverage, claims-made premiums are comparatively lower than occurrence coverage premiums. An insured can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

PRINCIPAL BENEFITS

This policy provides claims-made liability coverage up to the maximum dollar limit specified in the policy.

The principal benefits and coverages are explained in detail in your claims-made policy. Please read it carefully and consult your insurance agent or broker or other professional insurance advisor about any questions you might have.

EXCEPTIONS, REDUCTIONS AND LIMITATIONS

Your claims-made policy contains certain exceptions, reductions and limitations. Please read them carefully and consult your insurance agent or broker or other professional insurance advisor about any questions you might have.

RENEWALS AND EXTENDED REPORTING PERIODS

Your policy has some unique features relating to renewal, extended reporting periods and coverage of occurrences with long periods of exposure. If there is a retroactive date in your policy, no injury/wrongful act/loss occurring prior to that date will be covered under the policy even if reported during the policy period. It is therefore important for you to be certain that there are no gaps in your insurance coverage. These gaps can occur in several ways. Among the most common are:

- 1) If you switch from an occurrence policy to a claims-made policy, the retroactive date in your claims-made policy should be no later than the expiration date of the occurrence policy.
- 2) When replacing a claims-made policy with a claims-made policy, you should consider the following:
 - a. The retroactive date in the replacement policy should extend far enough back in time to cover any events with long periods of liability exposure; and
 - b. If the retroactive date in the replacement policy does not extend far enough back in time to cover events with long periods of liability exposure, you should consider purchasing extended reporting period coverage under the old claims-made policy.
- 3) If you replace this claims-made policy with an occurrence policy, you may not have insurance coverage for a claim arising during the period of claims-made coverage unless you have purchased an extended reporting period under the claims-made policy. Extended reporting period coverage must be offered to you by law for at least one year after the expiration of the claims-made policy at a premium not to exceed 200% of your last policy premium.

CAREFULLY REVIEW YOUR POLICY REGARDING THE AVAILABLE EXTENDED REPORTING COVERAGE, INCLUDING THE LENGTH OF COVERAGE, THE PRICE AND THE TIME PERIOD DURING WHICH YOU MUST PURCHASE OR ACCEPT ANY OFFER FOR EXTENDED REPORTING PERIOD COVERAGE.

LICENSED APPRAISAL ENDORSEMENT

In consideration of the additional premium charged, it is understood and agreed that coverage is added for appraisal services, as described below:

With respect to the coverage provided by this endorsement:

1. Exclusion I (**SECTION I**) is deleted in its entirety and replaced with the following:
 - I. Any "claim" arising from the appraisal, management or sale of property in which:
 - (1) You or your spouse have more than a twenty five percent (25%) financial or ownership interest; or
 - (2) A real estate broker, spouse of a real estate broker or organization in which you as a real estate licensee has more than a twenty five percent (25%) financial or ownership interest; or

Any "claim" arising from the appraisal, management or sale of property that is developed, constructed or owned by:

 - (3) Any entity in which you or your spouse has more than a twenty five percent (25%) financial or ownership interest; or
 - (4) A real estate broker, spouse of a real estate broker or organization in which you as a real estate licensee has more than a twenty five percent (25%) financial or ownership interest.

This exclusion does not apply to "claims" arising from:

- (a) the management or sale of property acquired by you under a "Guaranteed Sale Listing Contract" within the first year you acquire such property provided the property is listed for sale during the entire year; or
 - (b) the sale or listing of your primary or principle residence provided the sale or listing is performed under the license laws of Colorado. Does not included For Sale By Owner sales or listings.
2. The description of "real estate services" in **DEFINITIONS (SECTION V)** is amended to include services performed or advise given by the insured while appraising real estate. Appraising real estate means the process of establishing market value, investment value or other defined value of a specific item of real estate when such services are conducted by a licensed or certified real estate appraiser who also holds an active valid real estate salesperson or broker license issued by the Colorado Real Estate Commission.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.