



CONTINENTAL CASUALTY COMPANY

(A stock insurance company, hereinafter called the "Company")

Administrative Office: 2001 Lake Point Way, Louisville KY 40223

(502) 708-3157 / (800) 222-4035

REAL ESTATE LICENSEES ERRORS AND OMISSIONS POLICY DECLARATIONS – COLORADO

THIS IS A CLAIMS-MADE-AND-REPORTED POLICY. PLEASE READ THIS POLICY CAREFULLY.

NOTICE: THIS IS A CLAIMS-MADE-AND-REPORTED POLICY. EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN THIS COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE **CLAIMS** THAT ARE FIRST MADE AGAINST THE **INSURED** AND REPORTED TO THE COMPANY WHILE THE POLICY IS IN FORCE.

Policy Number: 27 CAP 0713569515

ITEM 1. POLICYHOLDER:

Colorado licensees who hold an active real estate license issued by the Colorado Real Estate Broker Commission (the Commission) pursuant to the Colorado Real Estate Brokers **Licensee** and Commission Law. 12-61-101 et seq. including any (a) real estate Broker who (1) holds an active real estate Broker license issued by the Commission and (2) has paid the premium charged for this Policy or (b) any licensed **Real Estate Firm** that has paid the premium charged for this Policy.

ITEM 2. GROUP POLICY PERIOD: From Per Certificate of Coverage to January 1, 2028
(12:01 A.M. Standard Time at the Address stated in Item 1.)

ITEM 3. LIMITS OF LIABILITY: (a) \$ Per Certificate of Coverage per **Licensee per Claim (Damages)**
(b) \$ Per Certificate of Coverage Aggregate all Claims per Licensee (Damages)

ITEM 4. LIMITS LOCK BOX CLAIM: (a) \$ 100,000. per Licensee per Lock Box Claim (Damages)
(b) \$ 300,000. Aggregate all Lock Box Claims per Licensee (Damages)

ITEM 5. LIMITS DISCRIMINATION CLAIM: (a) \$ 25,000. per Licensee per Discrimination Claim (Damages)
(b) \$ 25,000. Aggregate all Discrimination Claims per Licensee (Damages)

ITEM 6. SUBLIMITS Escrow Claim: (a) \$ 10,000. per Licensee per Escrow Claim (Damages)
(b) \$ 25,000. Aggregate all Escrow Claims per Licensee (Damages)

ITEM 7. DEDUCTIBLES DAMAGES: \$ Per Certificate of Coverage each Claim
CLAIM EXPENSES: \$ 0 Claim

ITEM 8. PREMIUM: \$ Per Certificate of Coverage per Licensee

ITEM 9. RETROACTIVE DATE: As determined for each **Insured** according to the policy.
This insurance does not apply to any **Claim** made against the **Insured** based upon, arising out of, or attributable to any negligent act, error, or omission committed or alleged to have been committed prior to the **Retroactive Date** listed above.

ITEM 10. OPTIONAL EXTENDED REPORTING ADDITIONAL PREMIUM:
One year is 100% expiring premium (plus any applicable endorsement premium); two years is 150% expiring premium (plus any applicable endorsement premium); three years is 200% expiring premium (plus any applicable endorsement premium); five years is 300% expiring premium (plus any applicable endorsement premium).

The Declarations and the forms listed and attached hereto, together with the completed and signed application, shall constitute the contract between the **Insured** and the Company.



Authorized Representative

01/01/2027

Date



REAL ESTATE LICENSEES ERRORS AND OMISSIONS POLICY - COLORADO

NOTICE

THIS INSURANCE IS WRITTEN ON A CLAIMS-MADE-AND-REPORTED BASIS. EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, COVERAGE UNDER THIS MASTER POLICY IS LIMITED TO LIABILITY ONLY FOR THOSE **CLAIMS** THAT ARE FIRST MADE AGAINST THE **INSURED** AND REPORTED TO THE COMPANY DURING THE **INDIVIDUAL POLICY PERIOD** OR ANY APPLICABLE EXTENDED REPORTING PERIOD. NO COVERAGE EXISTS FOR **CLAIMS** FIRST MADE AGAINST THE **INSURED** BEFORE THE BEGINNING OR AFTER THE END OF THE **INDIVIDUAL POLICY PERIOD**. PLEASE REVIEW THIS MASTER POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

INSURING AGREEMENT

I. COVERAGE

The Company will pay on behalf of the **Insured Damages** in excess of the Deductible that the **Insured** becomes legally obligated to pay as a result or by reason of a **Claim**, so long as the **Claim** is first made against the **Insured** during the **Individual Policy Period** and reported to the Company in writing during the **Individual Policy Period**, unless an Extended Reporting Period applies, provided that:

- A. the negligent act, error, or omission giving rise to the **Claim** was committed or alleged to have been committed after the **Retroactive Date**; and
- B. prior to the inception date of the **Individual Policy Period**, no **Insured** had a basis to believe that any such negligent act, error, or omission or **Related Negligent Act, Error, or Omission** might reasonably be expected to be the basis of a **Claim** against the **Insured**.

The Company has the right and duty to defend the **Insured** against any **Claim** seeking **Damages** covered by this policy until the applicable Limits of Liability or Sublimits of Liability are exhausted. The Company has the right to select counsel; investigate the circumstances of the **Claim** and pay judgments or settlements and **Claim Expenses** as the Company deems necessary. In the event a **Claim** is subject to arbitration or mediation, the Company is 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. The Company has no duty to defend any **Claim** not covered by this policy.

The Company will not settle any **Claim** without the consent of the **Insured**, which consent shall not be unreasonably withheld. If the Company recommends a settlement to the **Insured** which is agreeable to the claimant and the **Insured** does not agree to settle, the Company's applicable Limits of Liability or Sublimits of Liability are reduced to the total amount for which the **Claim** could have been settled. The maximum amount the Company will pay in the event of any later settlement or judgment is the amount for which the **Claim** could have been settled plus the amount of **Claim Expenses** incurred up to the time the Company made the recommendation, less any applicable deductible.

II. LIMITS OF LIABILITY

The Declarations sets forth the Company's Limits of Liability and Sublimits of Liability for the **Licensee**. The Limits of Liability and Sublimits of Liability are in excess of the Deductible. All other persons or organizations included under the definition of **Insured** share such Limits of Liability and Sublimits of Liability with the **Licensee**. The Limits of Liability and Sublimits of Liability apply regardless of the number of **Claims** made or the number of persons or organizations making **Claims** against the **Insured**. If **Related Claims** are subsequently made against any **Insured** and timely reported to the Company during this group policy or any renewal of this group policy, all such **Related Claims**, whenever made, shall be considered a single **Claim** first made within the **Individual Policy Period** in which the earliest of the **Related Claims** was first made. The amount paid for a **Claim** by the Company on behalf of all **Insureds** under each **Licensee's** coverage shall be prorated in relationship to the amount awarded against each such **Insured**, but in no event shall the amount paid by the Company for all **Insureds** under each **Licensee's** coverage exceed the applicable per **Licensee** Limits of Liability or Sublimits of Liability shown on the Declarations.

- A. Subject to the paragraphs below, the Company's Limits of Liability for **Damages** for each **Claim**

- shall not exceed the per **Claim** Limit stated in the Declarations.
- B. The Company's Limit of Liability for **Damages** for all **Claims** per **Licensee** shall not exceed the Aggregate all **Claims** per **Licensee** Limit stated in the Declarations.
 - C. The Company's Limit of Liability for **Damages** for each **Lock Box Claim** per **Licensee** shall not exceed the per **Lock Box Claim** limit stated in the Declarations. The Company's limit of Liability for **Damages** for all **Lock Box Claims** per **Licensee** shall not exceed the Aggregate **Lock Box Claim** limit set forth in the Declarations.
 - D. The Company's Limit of Liability for **Damages** for each **Discrimination Claim** per **Licensee** shall not exceed the per **Discrimination Claim** limit stated in the Declarations. The Company's limit of Liability for **Damages** for all **Discrimination Claims** per **Licensee** shall not exceed the Aggregate **Discrimination Claim** Limit set forth in the Declarations.
 - E. The Company's Sublimit of Liability for **Damages** for each **Escrow Claim** per **Licensee** shall not exceed the per **Escrow Claim** Sublimit stated in the Declarations. The Company's Sublimit of Liability for **Damages** for all **Escrow Claims** per **Licensee** shall not exceed the Aggregate **Escrow Claim** Sublimit set forth in the Declarations. **Damages** paid within the **Escrow Claim** Sublimits of Liability are included within, and not in addition to, the per **Claim** Limit of Liability and the Aggregate Limit of Liability under Item 3 of the Declarations.
 - F. In addition to the applicable Limits of Liability or Sublimits of Liability, the Company will pay **Claim Expenses** in connection with covered **Claims**. **Claim Expenses** are in addition to the Limits of Liability or Sublimits of Liability. The Company's payment of the applicable Limits of Liability or Sublimits of Liability ends the Company's duties to defend, pay **Damages**, and pay **Claim Expenses**.
 - G. Limits of Liability and Sublimits of Liability are not renewed or increased by virtue of the operation of the Automatic or Optional Extended Reporting Period.

III. DEDUCTIBLE

The **Insured** shall pay the Deductible, as stated in the Declarations, for each **Claim**. The Company's obligation to pay **Damages** begins only after the **Insured** has paid the Deductible. The Deductible shall apply to the payment of **Damages** only. The Company is obligated for amounts payable in excess of the Deductible up to the applicable Limits of Liability or Sublimits of Liability. The Company may pay any part or all of the Deductible to settle, defend, or investigate a **Claim**. In such case, the **Insured** must promptly reimburse the Company any amount of the Deductible paid by the Company. In the event the **Insured** does not reimburse the Company within sixty (60) days, the Company will be entitled to recover reasonable costs and attorney fees incurred in collecting such reimbursement.

If a **Claim** involves two or more **Insureds** or **Licensees** who were affiliated with the same **Real Estate Firm** at the time of the **Professional Services** giving rise to the **Claim**, only one Deductible applies and the Deductible amount will be shared equally by all such persons. Payment of the Deductible is the joint and several liability of all such persons, but collection of the Deductible will be the responsibility of the **Real Estate Firm's** employing broker, as defined in the Colorado Real Estate License Law, notwithstanding any agreements that may exist between the employing broker, **Real Estate Firm**, or its employees or independent contractors.

IV. SUPPLEMENTARY PAYMENTS

Payments made under this section are not subject to the Deductible. In addition to the Limits of Liability and Sublimits of Liability, the Company will pay the following:

- A. Premiums on appeal bonds and bonds to release attachments. Premiums are limited to bonds no larger than the Company's remaining Limits of Liability or Sublimits of Liability applicable to the **Claim**. Obtaining the bond is not the Company's obligation.
- B. \$250. for each day the **Insured** attends a trial or hearing in a civil lawsuit covered under this policy; however, attendance must be at the Company's request. In no event shall the amount payable under this provision exceed a \$5,000. Aggregate Limit during the **Individual Policy Period**. In addition, the \$5,000. limit is the maximum the Company will pay even if such trial or hearing spans more than one **Individual Policy Period**.



- C. Post-judgment interest on that portion of any judgment to which this insurance applies and which accrues after entry of the judgment and before the Company has paid, offered to pay, or deposited, whether in court or otherwise, that part of the judgment for which the Company is responsible.

V. TERRITORY

- A. If the **Licensee's Domicile** is in the State of Colorado, then this policy applies to **Professional Services** performed anywhere in the world, provided that:
 - 1. the **Licensee** will be covered for **Professional Services** performed outside the State of Colorado only if the **Licensee** is duly licensed in such jurisdiction and the services performed would require a license pursuant to the laws of Colorado had the acts been performed in Colorado; and
 - 2. the **Claim** arising out of the rendering of such **Professional Services** is brought within the United States of America, its territories, or possessions.
- B. If the **Licensee's Domicile** is not in the State of Colorado, then this policy and the coverage provided hereunder applies only to **Professional Services** performed in Colorado. The **Claim** arising out of the rendering of such **Professional Services** must be brought within the United States of America, its territories, or possessions.
- C. For purposes of this section, a **Licensee** whose **Domicile** is not in the State of Colorado shall be treated as if the **Licensee's Domicile** is in the State of Colorado if the **Licensee's Principal Real Estate License** is affiliated with a real estate office located in the State of Colorado and the **Licensee** resides within fifty (50) miles of the Colorado State line.

VI. EXCLUSIONS

This insurance does not apply to any **Claim** alleging, arising from, or related to:

- A. **Fraudulent or Dishonest Acts**
fraudulent, dishonest, criminal, or malicious acts committed by the **Insured**, at the **Insured's** direction, with the **Insured's** knowledge, or by anyone for whose acts the **Insured** is legally responsible;
- B. **Insolvency**
the insolvency of the **Insured**;
- C. **Failure to Pay or Collect**
the failure to pay, collect, or return insurance premiums, trust monies, escrow monies, earnest money deposits, security deposits, tax money, or commissions, except that this exclusion shall not apply to an **Escrow Claim** until the **Escrow Claim** Sublimit of Liability has been exhausted;
- D. **Wrongful Termination**
the wrongful termination of employment, breach of an employment contract, or other employment disputes;
- E. **Bodily Injury**
bodily injury, sickness, disease, mental anguish, pain or suffering, emotional distress, or death of any person;
- F. **Property Damage**
physical injury to, destruction of, or loss of use of tangible property, except that this exclusion shall not apply to a **Lock Box Claim** until the **Lock Box Claim** Limit of Liability has been exhausted.



G. Unfair Competition

unfair competition, piracy, advertising injury, or theft or wrongful taking of concepts or other intellectual property;

H. Libel or Slander

libel, slander, defamation of character, disparagement, detention, humiliation, sexual harassment, false arrest or imprisonment, wrongful entry or eviction, violation of the right to privacy, malicious prosecution, personal injury, or other invasion of rights to private occupancy;

I. Discrimination

discrimination on the basis of race, color, creed, national origin, sex, religion, age, sexual preference, marital status, any mental or physical handicap or disease, or any other unlawful discrimination category, except that this exclusion shall not apply to a **Discrimination Claim** until the **Discrimination Claim** Limit of Liability has been exhausted;

J. Owned or Purchased Property

1. **Professional Services** relating to property in which any of the following had more than a 25% ownership or financial interest: an **Insured**; **Insured's** spouse; **Insured's Domestic Partner**; or any entity, partnership, or trust in which the **Insured** or **Insured's** spouse or **Domestic Partner** owned or controlled more than 25% ownership or financial interest; or
2. **Professional Services** relating to property purchased or attempted to be purchased by any of the following: an **Insured**; **Insured's** spouse; **Insured's Domestic Partner**; or any entity, partnership, or trust in which the **Insured** or **Insured's** spouse or **Domestic Partner** owned or controlled more than 25% ownership or financial interest;

however, this exclusion does not apply to:

- a. any **Claim** arising from the sale of property acquired by the **Insured** pursuant to a guaranteed sale listing contract. The guaranteed sale listing contract must be a written agreement between the **Insured** and the seller of a property in which the **Insured** agrees to purchase the property if it is not sold under the listing agreement in a specified time. For coverage to apply, the **Insured** must hold title to the property for less than one (1) year and must continually offer it for sale; or
- b. any **Claim** arising from the sale or listing of a **Licensee's Primary Residence**, provided the sale or listing for sale is performed under the **Licensee's** real estate license and supervised by the **Licensee's Real Estate Firm** or employing broker, as defined in the Colorado Real Estate License Law.

K. Developed / Constructed Property

Professional Services relating to property developed or constructed by any of the following: an **Insured**; **Insured's** spouse; **Insured's Domestic Partner**; or any entity, partnership, or trust in which the **Insured** or **Insured's** spouse or **Domestic Partner** owned or controlled more than 25% ownership or financial interest;

L. Statutory Violations

violation of the Employee Retirement Income Security Act of 1974, the Securities Act of 1933, the Securities Exchange Act of 1934, any state Blue Sky or securities laws, or amendments thereto;



M. Maintenance of Insurance

failure by an **Insured** to provide or maintain insurance;

N. Specified Activities

the **Insured's** activities as:

1. a lawyer, title agent, mortgage banker, mortgage broker or correspondent, escrow agent, **Construction Manager**, property developer, or insurance agent, except that the escrow agent portion of this exclusion shall not apply to an **Escrow Claim** until the **Escrow Claim** Sublimit of Liability has been exhausted; or
2. an appraiser, if the appraisal activity performed requires licensing or certification other than a real estate license;

O. Real Estate Investment Trusts

activities involving a property syndication, partnership, limited partnership, or real estate investment trust in which any **Insured** has, or had, a direct or indirect interest in the profits or losses;

P. Contractual Liability

liability assumed by any **Insured** under any contract, indemnity agreement, purchase agreement, hold harmless clause, or other similar agreement unless such liability would have attached to the **Insured** in the absence of such contract;

Q. Pollution / Mold / Fungi

whether suddenly or over a long period of time:

1. the actual, alleged, or threatened emission, discharge, dispersal, seepage, release, or escape of **Pollutants**, asbestos, radon, or lead;
2. the actual or alleged failure to detect, disclose, report, test for, monitor, clean, remove, contain, dispose of, treat, detoxify, or neutralize or in any way respond to, assess the effects of, or advise of the existence of **Pollutants**;
3. any nuclear reaction, nuclear radiation, or radioactive contamination or any act, condition, or pollution incidental to the foregoing; or
4. the actual or alleged:
 - a. or threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth of, or presence of; or
 - b. failure to detect, disclose, report, test for, monitor, clean, remove, contain, dispose of, treat, detoxify, or neutralize or in any way respond to, assess the effects of, or advise of the existence ofany **Fungi** or **Microbes** or of any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of **Fungi** or **Microbes**.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the **Damages** claimed.

As used in this exclusion, pollution includes the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of **Pollutants**.

R. Expected or Intended

injury or damage expected or intended by the **Insured**;

S. Commission and Fee Disputes



disputes over commissions or fees between real estate brokers, salespersons, and/or property managers; and/or disputes over commissions or fees involving lawsuits initiated by the **Insured**. This exclusion does not apply to disputes over commissions or fees involving counterclaims filed with the approval of the Company;

T. Prior Acts

negligent acts, errors, or omissions committed or alleged to have been committed either (1) prior to the date the **Insured** received an active real estate license or (2) subsequent to the effective date of suspension, revocation, or inactive status of the **Insured's** real estate license;

U. Fines and Penalties

any fines, penalties, assessments, punitive damages, exemplary damages, multiplied damages, or matters deemed uninsurable under applicable law; or

V. Conversion / **Third Party Deception**

any conversion, misappropriation, commingling, defalcation, embezzlement, theft, disappearance, or insufficiency in amount of any monies, funds, or other assets or other property or **Third Party Deception**, including, but not limited to, any failure to detect, identify, disclose, or prevent such conversion, misappropriation, commingling, defalcation, embezzlement, theft, disappearance, or insufficiency in amount or **Third Party Deception**, regardless of the identity of the person or entity actually or allegedly engaged in or responsible for the conduct or failure(s) in question.

VII. **EXTENDED REPORTING PERIODS**

In case of cancellation or nonrenewal, the **Licensee** may be eligible for the following Extended Reporting Periods to apply, both subject to Paragraph C below:

- A. Automatic Extended Reporting Period: In case of cancellation or nonrenewal because a **Licensee** retires, places the **Licensee's** license on inactive status, or allows the **Licensee's** license to expire, the policy will apply to **Claims** first made against the **Insured** and reported in writing to the Company up to ninety (90) days after the effective date of cancellation or nonrenewal. Said ninety (90) day period will be hereinafter referred to as the Automatic Extended Reporting Period.
- B. Optional Extended Reporting Period: In case of cancellation or nonrenewal for any reason, the **Licensee** shall have the option, upon payment of an additional premium within ninety (90) days after the effective date of the cancellation or nonrenewal, to cause the policy to apply to **Claims** first made against the **Insured** and reported in writing to the Company during the Optional Extended Reporting Period. The Optional Extended Reporting Period will replace the Automatic Extended Reporting Period. The premium for the Optional Extended Reporting Period will be fully earned and is determined as shown below:

Optional Extended Reporting Periods

Optional Extended Reporting Period Premium

One Year
Two Years
Three Years
Five Years

100% expiring premium, including any endorsement premium
150% expiring premium, including any endorsement premium
200% expiring premium, including any endorsement premium
300% expiring premium, including any endorsement premium

The Optional Extended Reporting Period cannot be canceled by the Company or the **Insured**.

C. Coverage afforded by the Automatic and Optional Extended Reporting Periods:

1. Shall apply solely to **Claims** arising from a negligent act, error, or omission:
 - a. committed or alleged to have been committed after the **Retroactive Date**;

- b. committed or alleged to have been committed before the effective date of cancellation or nonrenewal; and
 - c. which are otherwise insured under all the other terms, conditions, and exclusions of this policy.
- 2. Shall not apply to any **Claim**, which is insured by any other policy of insurance, nor as excess above such other policy of insurance.
- 3. Nothing in Paragraph A or B shall serve to increase the Limits of Liability or Sublimits of Liability as provided in Section **II. LIMITS OF LIABILITY** or Section **IV. SUPPLEMENTARY PAYMENTS**. The Limits of Liability and Sublimits of Liability for any Extended Reporting Period shall be a part of, and not in addition to, the Limits of Liability and Sublimits of Liability listed on the Declarations.

VIII. DEFINITIONS

Claim means:

- 1. a written demand for money or services received by the **Insured**; or
- 2. service of a lawsuit or institution of arbitration or mediation proceedings against the **Insured** seeking **Damages** and alleging a negligent act, error, or omission in the performance or failure to perform **Professional Services**. Complaints to or disputes before a real estate regulatory board or commission are not **Claims**. Criminal proceedings are not covered under this Policy regardless of the allegations made against any **Insured**.

Claim Expenses means:

- 1. fees, costs, and expenses resulting from the investigation, adjustment, defense, and appeal of a **Claim** if incurred by the Company or by the **Insured** with the Company's written consent; and
 - 2. fees charged by attorneys designated by the Company.
- Costs, fees, or expenses of employees or officials of the Company are not **Claim Expenses**. Nor shall **Claim Expenses** include salaries, loss of earnings, or other remuneration by or to any **Insured**.

Construction Manager means a person or entity providing the following services in connection with the construction, reconstruction, or renovation of real property:

- 1. management of facility construction, reconstruction, or renovation plans;
- 2. development and management of construction, reconstruction, or renovation contracts or subcontracts; or
- 3. development of loss control and risk management plans in connection with the construction, reconstruction, or renovation.

Damages means compensatory damages. **Damages** do not include return or restitution of fees, commissions, expenses, or costs; injunctive or declaratory relief; fines; penalties; punitive, exemplary, or multiplied damages; or matters deemed uninsurable under applicable law.

Discrimination Claim means a **Claim** alleging **Discriminatory Conduct**.

Discriminatory Conduct means acts, errors, or omissions in violation of Title VIII of the Civil Rights Act of 1968, the Fair Housing Amendment Act of 1988 (or any similar state or local law or ordinance) in the rendering of **Professional Services**.

Domestic Partner means any person qualifying as a "domestic partner" under any federal, state, or local law or under the **Real Estate Firm's** employee benefit plans.

Domicile means a person's permanent legal home to which he or she returns or intends to return. A person may have more than one residence but only one domicile.

Escrow Claim means a **Claim** alleging the **Insured's** failure to pay, collect, or return trust, escrow monies, earnest money deposits, and security deposits in connection with the **Licensee's Professional Services**,



provided that (i) such **Insured** has met the requirements of the Colorado Real Estate License Law governing client funds and (ii) such funds are held separate from the **Insured's** funds.

Fungi means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut, or mushroom.

Group Policy Period means the period set forth in the Declarations. The **Group Policy Period** may be shortened by cancellation.

Individual Policy Period means the period set forth in the **Licensee's** Certificate of Coverage commencing with the date the **Licensee** obtained coverage under this group policy by paying the appropriate premium and ending with the cancellation or expiration of the **Licensee's** coverage under this group policy. The **Individual Policy Period** must be within the dates of the **Group Policy Period** shown on the Declarations.

Insured means the following:

1. the **Licensee**;
2. the **Licensee's Unlicensed Employees**;
3. the heirs, executors, administrators, or assigns of the **Licensee** in the event of the **Licensee's** death, incapacity, or bankruptcy but only to the extent that such **Licensee** would have been provided coverage under this policy;
4. the spouse or **Domestic Partner** of the **Licensee** but only for **Claims** arising solely out of such status and only if the **Claim** seeks **Damages** from marital community property, jointly held property, or property transferred from the **Insured** to the spouse or **Domestic Partner**. No coverage is provided for any act, error, or omission of a spouse or **Domestic Partner**.

When this policy provides coverage for a **Claim** made against any of the **Insureds** listed in 1, 2, 3, or 4 above, **Insured** will also mean:

5. any **Real Estate Firm, Real Estate Team**, or real estate franchisor that the **Licensee** represents but only for its vicarious liability for negligent acts, errors, or omissions arising out of the **Licensee's Professional Services**.

Licensee means the person who holds an active real estate license issued by the Colorado Real Estate Commission under the Colorado Real Estate License Law and who has paid the required premium.

Lock Box means a device to allow authorized persons without a key to enter a locked door.

Lock Box Claim means a **Claim** alleging property damage or loss of use of property resulting from such property damage in the distribution, operation, or use of a **Lock Box** on property not owned, occupied by, or leased to the **Insured**.

Microbes means any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease.

Policyholder means the Colorado licensees as described in Item 1 of the Declarations.

Pollutants means any solid, liquid, gaseous, thermal, biological, or radioactive substance, material, matter, toxin, irritant, or contaminant, including but not limited to radon, asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

Primary Residence means a single-family residence or multi-family residence of two (2) or fewer units which serves as the **Licensee's** principal residence.

Principal Real Estate License means the state license under which the majority of the **Licensee's** real estate transactions are conducted.

Professional Services means

1. services performed by the **Licensee** as a real estate broker as defined in Colorado Real Estate License Law and for which the **Licensee** is required to have a real estate license, provided all

- necessary licenses are held by the **Licensee** at the time of the act, error, or omission giving rise to the **Claim**;
2. **Property Management Services** performed by the **Licensee**;
 3. market analyses and valuations by the **Licensee** for the purpose of listing a property for sale or guiding a buyer in making an offer, provided all necessary licenses are held by the **Licensee** when the market analysis or valuation is issued and such activity does not require certification or licensing other than a real estate license;
 4. issuance of a broker price opinion by the **Licensee**, provided all necessary licenses are held by the **Licensee** at the time when the broker price opinion is issued; and
 5. services performed or advice given by the **Licensee**, including as a notary public, and as a real estate consultant or counselor in connection with the services as a **Licensee** in 1 above.

Property Management Services means the following services provided in connection with the management of commercial or residential property:

1. development and implementation of management plans and budget;
2. oversight of physical maintenance of property;
3. solicitation, evaluation, and securing of tenants and management of tenant relations, collection of rent, and processing evictions;
4. development, implementation, and management of loss control and risk management plans for real property;
5. solicitation and negotiation of contracts for sale and leasing of real property;
6. development, implementation, and management of contracts and subcontracts, excluding property and liability insurance contracts, necessary to the daily functioning of the property;
7. personnel administration; and
8. record keeping.

Property Management Services do not include **Renovation Services** or analysis of, evaluations of, or recommendations concerning environmental hazards or exposures.

Real Estate Firm means a legal entity supervised by an employing broker, as defined in Colorado Real Estate License Law, which real estate brokers, as defined in Colorado Real Estate License Law, are affiliated and which **Licensee** works for or represents and which holds an active real estate license issued by the Colorado Real Estate Commission..

Real Estate Team means a team with which the **Licensee** and at least one other active Colorado real estate licensee advertise and conduct **Professional Services** as a group. **Real Estate Team** does not include any entity which conducts other services in addition to **Professional Services**. Nor does **Real Estate Team** include licensees associated with or employees of the entity.

Related Claims means all **Claims** arising out of a single negligent act, error, or omission or arising out of **Related Negligent Acts, Errors, or Omissions** in the rendering of **Professional Services**.

Related Negligent Acts, Errors, or Omissions means all negligent acts, errors, or omissions in the rendering of **Professional Services** that are temporally, logically, or causally connected by any common fact, circumstance, situation, transaction, event, advice, or decision.

Renovation Services means the following services provided in connection with the renovation and reconstruction of any type of property:

1. management of facility renovation and reconstruction plans,
2. development and management of renovation and reconstruction contracts and subcontracts, or
3. development of loss control and risk management plans in connection with the reconstruction or renovation.

Retroactive Date means the date when the first real estate errors and omissions coverage was effective insuring the **Licensee** on a claims-made basis and since which time the **Licensee** has been continuously



insured by coverage similar to that provided by this policy. The **Retroactive Date** is established separately for each **Licensee**.

Third Party Deception means the misleading of a person or persons through the misrepresentation by another person or persons, whether or not known to the **Insured**, which results in the theft, conversion, embezzlement, or misappropriation of any monies, funds, or other assets or property.

Unlicensed Employee means the support staff employed by the **Licensee** and under the **Licensee's** supervision and control who is assisting the **Licensee** in the performance of the **Licensee's Professional Services**, including a personal assistant, clerk, secretary, messenger, and intern but shall not include an owner, officer, director, or any other staff member who is not under the direct supervision of the **Licensee** or assisting the **Licensee** in the performance of the **Licensee's Professional Services**. **Unlicensed Employee** does not include appraisal trainees or anyone who provides **Property Management Services**.

IX. PREMIUM

This coverage shall not be effective until and unless the application for coverage has been approved by the Company and the premium has been paid. Each **Insured's** premium shall be fully earned at the policy's commencement without any obligation by the Company to return any portion thereof unless the Company cancels the entire policy.

X. AUDIT

The Company may audit the **Insured's** records to determine the accuracy of pertinent information provided by the **Insured**. The Company will give reasonable notice to the **Insured** of such an audit. The audit will take place during the **Insured's** regular business hours.

XI. THE INSURED'S DUTIES IF THERE IS A CLAIM

A. The **Insured** shall give written notice by submitting a completed Notice of Claim Form to the Company as soon as possible after the **Claim** is first made but in no event more than ninety (90) days after the **Insured** becomes aware of such **Claim**. Such written notice shall include the name of the **Licensee** and shall include the time, place, and details of the **Claim**. Notice shall be delivered to:

U.S. Mail Delivery

Claims Department
P. O. Box 6709
Louisville, KY 40206-0709

Overnight Delivery

Claims Department
2001 Lake Point Way
Louisville, KY 40223

Electronic Delivery

Fax: (502) 896-6343
Email: claims@risceo.com

B. The **Insured** shall not admit any liability, make any settlement, pay any **Damages**, or assume any duty or obligation for any **Claim** without the prior written consent of the Company. The **Insured** shall not incur any **Claim Expenses** for any **Claim** without the prior written consent of the Company.

C. The **Insured** shall immediately forward to the Company every demand, notice, summons, or other process about any **Claim** received by the **Insured** or the **Insured's** representative.

D. The **Insured** shall cooperate with the Company and, at the Company's request, the **Insured** shall assist the Company in responding to the **Claim** and making settlements. The **Insured** shall attend hearings and trials and help in securing and giving evidence at the Company's request.

XII. CIRCUMSTANCE REPORTING

If during the **Individual Policy Period**, the **Insured** becomes aware of any act, error, or omission that may reasonably be expected to be the basis of a **Claim** against an **Insured** and gives written notice to the Company by any of the means listed in Section XI. **THE INSURED'S DUTIES IF THERE IS A CLAIM** of such act, error, or omission and additional information about the potential **Claim**, including but not limited to:

1. the specific act, error, or omission;
2. the dates and persons involved;
3. the identity of the anticipated or possible claimants or complainants; and



4. the circumstances by which the **Insured** first became aware of the potential **Claim**, then any **Claim** that arises out of such reported act, error, or omission, subsequently made against the **Insured** and reported to the Company shall be deemed to have been made at the time such written notice was first given to the Company.

XIII. SUBROGATION

If the Company makes any payment under this policy, the Company shall receive all of the **Insured's** rights of recovery against any persons or organizations. The **Insured** shall assist the Company in whatever way is necessary to secure such rights. When a **Claim** is made, the **Insured** shall do nothing to thwart the Company's recovery of amounts paid to other parties who might be responsible for the **Claim**.

XIV. CHANGES

The terms of this policy may not be waived or changed unless the Company issues an Endorsement. All Endorsements become a part of this policy upon the Endorsement's effective date. The **Policyholder** or the **Licensee** and the Company may make changes in the terms of the policy upon mutual consent.

XV. ACTION AGAINST THE COMPANY

The **Insured** may not bring a lawsuit against the Company unless the **Insured** has complied with all the terms and conditions of this policy. Nor shall an action lie against the Company until judgment or trial determines the **Insured's** responsibility to pay.

XVI. BANKRUPTCY

Bankruptcy or insolvency of the **Insured** or the **Insured's** estate will not relieve the Company of its obligations under this policy.

XVII. CANCELLATION

A. The **Policyholder** may cancel this policy by giving, mailing, or delivering to the Company advance written notice of cancellation or surrendering the policy to the Company at least one hundred twenty (120) days before the effective date of cancellation.

B. The Company may cancel this policy by mailing notice of the intention to cancel accompanied by the reasons therefor to the **Policyholder** by first-class mail at the last address shown in the Company's records in accordance with the provisions of Colorado Code §10-4-109.7 at least ninety (90) days before the effective date of cancellation, if cancellation is based on the revocation of the **Licensee's** license, or at least ten (10) days before the effective date of cancellation, if cancellation is based on nonpayment of premium.

If notice is mailed, proof of mailing will be sufficient proof of notice. If the policy is canceled, the effective date of cancellation will become the end of the policy period. If the Company cancels the policy, the **Policyholder** is responsible for notifying the **Licensee** of the effective date of cancellation.

XVIII. NONRENEWAL

If the Company elects not to renew this policy, it will give, mail, or deliver to the **Policyholder** written notice of nonrenewal at least one hundred twenty (120) days before the expiration date of the policy.

XIX. CONFORMITY TO STATUTES

If applicable law is in conflict with this policy, the policy is amended to conform to that law.

XX. OTHER INSURANCE

This insurance 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. When both this insurance and other insurance apply to any **Claim**, whether primary, excess, or contingent, the Company shall not be liable under this policy 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**.

XXI. LICENSE INACTIVE

In the event a **Licensee's** license is placed on inactive status or retired during a period in which the **Insured** has paid the applicable premium, the policy will remain in effect for the remainder of the **Individual Policy Period** as if the license had not been placed in inactive status or retired, regardless of whether the license is re-activated, except that coverage will not be provided for acts, errors, or omissions of the **Licensee** which occur during the period when the license was in an inactive status or retired.

XXII. AUTHORIZATION CLAUSE

By accepting this policy, the **Insured** agrees that the statements in the application are the **Insured's** agreements and representations. The **Insured** agrees that these statements are true and correct as of the inception of this policy. This policy has been issued relying upon those statements and representations. The **Insured** agrees that the policy and application are the total agreement between the **Insured** and the Company or its agents.

XXIII. TRANSFER

This policy is not transferable.

XXIV. TRADE AND ECONOMIC SANCTIONS

This policy does not provide coverage for **Insureds**, transactions, or that part of **Damages** or **Claim Expenses** that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

IN WITNESS WHEREOF, we have caused this policy to be executed by our Chairperson and Secretary, but this policy shall not be binding upon us unless completed by the attachment of the Certificate of Coverage and executed by our duly authorized representative.

Chairman

Secretary



POLICYHOLDER NOTICE - COLORADO

IMPORTANT NOTICE TO POLICYHOLDERS

COLORADO DISCLOSURE FORM CLAIMS - MADE POLICY

THIS DISCLOSURE FORM IS NOT YOUR POLICY. IT DESCRIBES SOME OF THE MAJOR FEATURES OF OUR CLAIMS - MADE POLICY FORM. 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.

DEFINITIONS

1. 'Claims Made coverage' means an insurance policy that provides coverage only if a claim is made during the policy period or any applicable extended reporting period. A claim made during the policy period could be charged against a claims - made policy even if the injury or loss occurred many years prior to the policy period. If a claims - made policy has a retroactive date, an occurrence prior to that date is not covered.
2. 'Extended Reporting Period' means a period allowing for making claims after expiration of a claims - made policy. This is also known as a 'tail'.
3. 'Occurrence coverage' means an insurance policy that provides liability coverage only for injury or damage that occurs during the policy term, regardless of when the claim is actually made. A claim made in the current policy year could be charged against a prior policy year, or may not be covered, if it arises from an occurrence prior to the effective date.
4. 'Retroactive Date' means the date on a claims - made policy which denotes the commencement date of coverage under this policy.

YOUR POLICY

Your policy is a claims - made policy. It provides coverage only for injury or damage occurring after the policy retroactive date (if any) shown on your policy and the incident is reported to your insurer prior to the end of the policy period. Upon termination of your claims - made policy an extended reporting period option is available from your insurer.

There is no difference in the kind of injury or damage covered by occurrence or claims - made policies. Claims for damages may be assigned to different policy periods, depending on which type of policy you have.

If you make a claim under your claims - made policy, the claim must be a demand for damages by an injured party and does not have to be in writing. Under most circumstances, a claim is considered made when it is received and recorded by you or by us. Sometimes, a claim may be deemed made at an earlier time. This can happen when another claim for the same injury or damage has already been made, or when the claims is received and recorded during an extended reporting period.

PRINCIPAL BENEFITS

This policy provides for claims - made 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 producer 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 producer about any questions you might have.



RENEWALS AND EXTENDED REPORTING PERIODS

Your claims - made policy has some unique features relating to renewal, extended reporting periods and coverage for events with long periods of potential liability exposure.

If there is a retroactive date in your policy, no event or occurrence 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, or
 - 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 a 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 PERIOD 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.