



## Williams Underwriting Group

A Division of Neace Lukens/  
An AssuredPartners Company

### PROGRAM MANAGERS & ADMINISTRATORS

WILLIAMS UNDERWRITING GROUP  
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CARRIER  
Zurich American  
Insurance Company



# MISSISSIPPI

# REAL ESTATE ERRORS & OMISSIONS INSURANCE

July 1, 2012  
to  
July 1, 2013

## REAL ESTATE ERRORS & OMISSIONS INSURANCE

All individual real estate licensees, with an active real estate license, must submit evidence of errors and omissions professional liability insurance to the Mississippi Real Estate Commission (the Commission). If you enroll under the group policy, the Program Administrator will provide such evidence automatically.

Williams Underwriting Group, a division of Neace Lukens was chosen as the program administrator for a group professional liability policy underwritten by Zurich American Insurance Company.

The group policy is available to each licensee with no right on the part of the insurance company to cancel coverage for any licensee during the policy period, other than as set forth by Commission rules and regulations.

The group policy provides professional liability protection for covered loss that results from the conduct of your duties as a real estate licensee. **The policy is a claims-made and reported policy.**

#### Highlights of the group program include:

- ❑ A group E&O policy covering all real estate licensees that pay the required premium. Licensed Real Estate Firms may purchase coverage in the firms name in addition to individual coverage. (See enrollment form for instructions.)
- ❑ Property Management activity, as defined in the policy is included
- ❑ **Choice of Limits** - Minimum State mandatory limits of \$100,000/\$500,000 or optional limits of \$250,000/\$750,000 or \$500,000/\$1,000,000. Claim expenses are paid in addition to the limits of liability. The limits apply per licensee.
- ❑ **Deductible** is \$1,000 for damages only. There is no deductible applicable to claim expenses.
- ❑ **Lock Box Property Damage** limits of \$5,000 each claim and \$10,000 aggregate with a duty to defend any claim or lawsuit. No deductible applies
- ❑ **Fair Housing Discrimination** each claim limit of \$25,000 with an aggregate limit of \$25,000 for damages and claim expenses. No deductible applies to the payment of the claim.
- ❑ **Subpoena Assistance Costs.** A \$2,500 per subpoena limit and a \$2,500 aggregate limit applies. No deductible applies.
- ❑ **Conformity Coverage** The policy automatically conforms to conditions of other mandatory state's E&O requirements (Refer to enrollment form for TN conformity instructions).
- ❑ **Environmental Hazards** sub-limit of \$10,000 per claim and \$20,000 for all claims for damages and claim expense including mold and fungi.
- ❑ **Escrow and Earnest Money Coverage** A sub-limit of \$5,000 per claim and \$10,000 aggregate for damages and defense expenses apply.
- ❑ **Sale of your Primary or Principal Residence** is included provided the sale or listing is performed under Mississippi Real Estate License Laws.

- ❑ **Regulatory Compliant** sublimit of \$2,500/\$5,000 for defense expenses.
- ❑ **Franchise Grantor** is automatically included as an additional insured.
- ❑ **Allows** up to 25% ownership/financial interest in the management or sale of property that is owned by an insured or 15% ownership/financial interest in property built or developed by an insured.
- ❑ **90 Day** automatic extended reporting period after policy expiration.
- ❑ **An Optional Extended Reporting Period Endorsement** is available, by request, under the group policy for licensees who do not renew their coverage under this policy. This endorsement extends up to three (3) years the time to report certain claims alleging wrongful acts that are committed before the end of the policy period, and after your retroactive date. The claim must be reported during the applicable extended reporting period. This endorsement does not extend the policy period or change the scope of coverage.
- ❑ **Coverage** for certain "prior acts" if the insured had similar claims-made coverage continually in force up until the time coverage begins under the policy.

#### Optional Coverage Endorsements (additional premiums apply)

- ❑ **Appraisal Endorsement** is available to individual real estate licensees who also hold and maintain an active real estate license.
- ❑ **Personal Identity Coverage Endorsement** is available that provides up to \$25,000 reimbursement for expenses and lost wages from identity theft.
- ❑ **Contingent Bodily Injury and Property Damage** A sub-limit of \$10,000 for all claims solely arising from Property Management Services (as defined in the policy). This is subject to a \$1,000 deductible.

#### Summary of Policy Exclusions:

- ❑ Dishonest, Fraudulent Criminal Acts, Unfair Competition, etc
- ❑ Bodily Injury, Property Damage, Advertising or Personal Injury
- ❑ Violation of Securities Laws
- ❑ Discrimination, Employment Related Practices
- ❑ Financial Interest in properties
- ❑ Conversion, Misappropriation, Comingling, etc.
- ❑ Failure to pay, collect, return fees, commissions or money held for others.
- ❑ Failure to maintain insurance or bonds
- ❑ Contractual/Indemnification/Hold Harmless Agreements
- ❑ Formation, Syndication, etc of other business or joint ventures.
- ❑ Appraisal Activities (Available by Endorsement)

**The above descriptions are a summary only. They do not include all terms, conditions and exclusions of the policy described. Please refer to the actual policy for complete details of coverage and exclusions. For a copy of the policy, please view our website at [www.wugioe.com](http://www.wugioe.com).**

# REAL ESTATE ERRORS & OMISSIONS INSURANCE

## QUESTIONS & ANSWERS

- 1. Are all real estate licensees required to buy coverage under the group policy?** No. Licensees who do not desire coverage under the group policy may purchase insurance coverage elsewhere. However, all licensees obtaining coverage other than that provided by the group policy must provide proof of coverage to the Mississippi Real Estate Commission, (MREC) and all coverage must meet the minimum equivalency requirements as established by the MREC.
- 2. What is the cost of coverage under the group Policy?** The minimum MREC required limits of \$100,000/\$500,000 is \$161.00 per license. Please refer to the premium schedule for optional limit premiums. The premium for any chosen limit after July 31, 2012 will be prorated. All premiums are fully earned.
- 3. Where does coverage apply under the group policy?** For resident Mississippi licensees, including non-resident licensees who work for or represent a real estate firm located in Mississippi, the policy applies to wrongful acts - as defined in the policy - that are committed in the coverage territory as described in the policy (all claims must be brought in the United States, its territories or possessions, Puerto Rico or Canada). For non-resident Mississippi licensees who do not work for or represent a real estate firm located in Mississippi, the policy only responds to wrongful acts - as described in the policy - committed within the State of Mississippi.
- 4. When must claims be reported?** If you receive a written demand for damages or services; a written demand to cease or desist; a civil proceeding/declaratory relief; or an arbitration/other alternative dispute resolution such claim must be reported in writing as soon as possible during the policy period or any applicable extended reporting period for coverage to apply. If you become aware of an act, error, omission, incident or circumstance that may develop into a claim but have not received any written demand you may still report this as a potential claim. Please see the policy for complete claim reporting procedures. You can obtain claim forms from our web site, [www.maverick-insurance.com/wug](http://www.maverick-insurance.com/wug).
- 5. Where do licensees report claims?** Licensees must report all claims (as defined in the policy) as soon as practical to the insurance company.

## REPORT CLAIMS TO:

Zurich American Insurance Company  
 PO Box 968041  
 Schaumburg, IL 60196-8041  
 Attn: Colleen McNicholas  
 E-mail: [colleen.mcnicholas@zurichna.com](mailto:colleen.mcnicholas@zurichna.com)  
 212-553-5633 (Direct)  
 800-442-2935, then press 1, Ext 5633  
 866-255-2962 (Fax)

- 6. What is a Claims-Made Policy?** Under a claims-made policy, you are protected for covered claims reported under the policy that is in effect at the time you report the claim, not when the real estate transaction occurred. However, the real estate transaction must have occurred after your retroactive date and before your coverage ends.
- 7. What is a "Retroactive Date"?** Each licensee covered under the group policy will have his/her own retroactive date. It is the earliest date that a licensee is first insured under a claims-made policy that has been continuously in force.
- 8. What is the importance of a "Retroactive Date"?** A claim resulting from a wrongful act - as described in the policy - which took place before a licensee's "retroactive date" will not be covered under the policy. It is therefore very important for licensees enrolling in the group policy to carefully determine what his/her "retroactive date" is if he/she is currently covered under a claims-made policy.
- 9. What will be my "Retroactive Date" if I am not currently insured under a Claims-Made policy?** Licensees joining the group policy who are not currently insured under a claims-made policy will have a "retroactive date" the first day of the month in which they become insured under the group policy.
- 10. What is an Extended Reporting Period Endorsement (Tail Coverage)?** This endorsement extends the time to report certain claims alleging wrongful acts that are committed before the end of the policy period, and after your retroactive date. The claim must be reported during the applicable extended reporting period. This endorsement does not extend the policy period or change the scope of coverage.

New license applicants or Licensees joining the group program after July 31, 2012 will be required to pay the following premium amount that corresponds to the month you wish to obtain coverage and the limits of liability chosen.

|                | STATE MANDATORY         | OR | OPTIONAL                |                           |
|----------------|-------------------------|----|-------------------------|---------------------------|
|                | LIMITS                  |    | LIMITS                  |                           |
|                | \$100,000/<br>\$500,000 |    | \$250,000/<br>\$750,000 | \$500,000/<br>\$1,000,000 |
| July.....      | \$161.00                |    | \$240.00                | \$303.00                  |
| August.....    | \$148.00                |    | \$220.00                | \$278.00                  |
| September..... | \$134.00                |    | \$200.00                | \$253.00                  |
| October.....   | \$121.00                |    | \$180.00                | \$227.00                  |
| November.....  | \$107.00                |    | \$160.00                | \$202.00                  |
| December.....  | \$ 94.00                |    | \$140.00                | \$177.00                  |
| January.....   | \$ 81.00                |    | \$120.00                | \$152.00                  |
| February.....  | \$ 67.00                |    | \$100.00                | \$126.00                  |
| March.....     | \$ 54.00                |    | \$ 80.00                | \$101.00                  |
| April.....     | \$ 40.00                |    | \$ 60.00                | \$ 76.00                  |
| May.....       | \$ 27.00                |    | \$ 40.00                | \$ 51.00                  |
| June.....      | \$ 13.00                |    | \$ 20.00                | \$ 25.00                  |

**Optional Coverage**  
**Appraisal Endorsement - \$200.00**  
**Personal Identity Coverage Endorsement - \$15.00**  
**Contingent BI/PD for Property Management Activity - \$25.00**

**NOTE: In order to notify the MREC of your compliance with the Statute for 2012, we must receive your mandatory payment -or- the optional payment and the enrollment form by June 22, 2012. Licensees submitting forms and payments to our office after June 22, 2012 will continue to be certified to the MREC. However, the MREC may place your license on an inactive status if they do not receive E&O coverage certification by July 31, 2012.**

**Save Time, Enroll Online!**

(Visa, Mastercard or Discover)

**[www.wugioe.com](http://www.wugioe.com)**

(We assess a \$5.00 convenience fee for online enrollment.)

## EXCESS COVERAGE DESCRIPTION

Additional limits of coverage are available to firms subject to a completed application and underwriting approval. This a separate policy. Payment not available online. Note: This policy is excess over primary insurance.

### OPTIONS

Limits available up to \$1,000,000/\$3,000,000 or \$2,000,000/\$2,000,000 with choice of deductible starting at \$1,000.

The deductible only applies to claims which would not otherwise be covered by the primary limits.

This coverage is available only to firms whose licensees are covered under the group policy as issued by the Insurance Company.

### Brief Highlights of the Excess Coverage

- n Failure to detect pollutants:  
     \$100,000 sublimit (Does not include mold or fungi)  
     Paid claim and/or defense
- n Fair Housing Discrimination - \$100,000 sublimit  
     excess over primary coverage  
     Paid claim and/or defense
- n Lock box Property damage -  
     excess sublimit of \$100,000
- n First dollar defense - unlimited.
- n Includes coverage for Franchise Grantor.

### Optional Coverage

- 1. Sale of owned property.

To obtain additional information and/or **application**, please contact Williams Underwriting Group at the location listed on the back of this brochure.