MISSISSIPPI REAL ESTATE BROKERS LICENSEE ERRORS AND OMISSIONS INSURANCE

ADMINISTERED BY WILLIAMS UNDERWRITING GROUP (WUG) A DIVISION OF NEACE LUKENS, AN ASSUREDPARTNER'S COMPANY

COVERAGE OVERVIEW July 1, 2012 to July 1, 2013

COVERAGE A: REAL ESTATE BROKERS LICENSEE PROFESSIONAL LIABILITY:

Limits of Liability

The WUG Policy provides the required minimum limits of $100,000 per wrongful act/$500,000 Aggregate limit to individual licensee. Real Estate Firms, also have the option to purchase coverage on the same basis and premium as individual licensees. In addition, we offer guaranteed issue optional higher limits by endorsement at limits of; $250,000 each wrongful act limit/$750,000 annual aggregate and $500,000 each wrongful act limit/$1,000,000 annual aggregate. The optional higher limits are available to all individual licensees and Real Estate Firms.

While Real Estate Firms are not required to obtain E&O coverage they benefit by having the option to obtain coverage. Many Real Estate **Firms** may desire to carry its own separate set of limits instead of relying on the vicarious liability provision under individual licensee's policy where they are sharing the licensees limit.

Deductible: There is a $1,000 deductible that applies to damages only. **There is no deductible that applies to claim expenses.**

Summary of coverages contained in Coverage A:

Property Management Services Coverage

The WUG policy automatically includes coverage for Property Management Services, as defined in the policy. There is **no** coverage endorsement to purchase and there is no exclusion relating to property management services which do not require a license. Coverage also applies to Real Estate Firms which elect to purchase coverage under the policy.

Sale or Listing of a licensees primary or principle residence

The WUG policy automatically **includes coverage** for the sale or listing of an Insured's primary or principle residence of two (2) or fewer units provided that the sale or listing is performed under the Mississippi Real Estate Brokers License Law. There are no conditions (home inspection, home warranty etc) for coverage to apply to the sale or listing. The limit of liability purchased by a licensee will apply – there is no sublimit applicable.

Escrow and Earnest Money coverage

The WUG policy automatically includes coverage for escrow monies, earnest money deposits and security deposits including damages and defense expenses, up to a maximum of $5,000 per claim and $10,000 for all claims.

Environmental Hazards

The WUG policy automatically includes coverage for all Loss (damages and defense costs) up to a maximum of $10,000 for each claim and $20,000 for all claims based on or arising out of, or attributable to Pollutants including mold and fungi.

Regulatory Complaint

The WUG policy automatically includes coverage for defense expenses incurred by a licensee in the defense of regulatory complaints, as defined in the policy, of up to $2,500 for each regulatory complaint and $5,000 for all regulatory complaints.

Real Estate Firms

The WUG policy allows licensed Real Estate Firms to also purchase separate coverage on a guarantee issue basis for the same cost as an individual licensee, to protect the Real Estate Firm.

Limits available are $100,000/$500,000, $250,000/$750,000 or $500,000 each wrongful act / $1,000,000 aggregate. This allows Real Estate Firms to have its own separate set of limits. In the event of a claim in which a licensee and the Real Estate Firm are named there would be two sets of limits that would be available for the claim (assuming the Real Estate Firm also purchased coverage). Having the ability to purchase separate coverage, the Real Estate Firm is assured of having its own set of limits apply to a claim without having to rely on the vicarious liability coverage of the licensee's coverage and share one set of limits. In addition, if a licensee fails to maintain coverage or has a gap in coverage the vicarious liability protection the Real Estate Firm enjoys under the licensees coverage may no longer be available.

Conformity to Other States Mandatory Programs

If a Mississippi licensee holds a real estate license in a state where that state requires errors and omissions coverage the policy will automatically conform to that states licensing law. We will certify your coverage directly to states where allowed. You must inform us of the mandated states in which you hold other than a MS license. Please refer to the Enrollment Form or the On-line enrollment for a listing of the applicable states. Resident Mississippi licensees who also hold a Tennessee real estate license need to contact WUG for instructions.

Franchise grantor coverage

Under the WUG policy a franchise grantor is automatically included as an additional insured in the policy. We include the franchise grantor as an insured so no additional endorsement must be requested by the licensee.

Coverage Territory

The WUG policy provides worldwide coverage for resident licensees and those non-residents of Mississippi whom are working for or representing a Real Estate Firm whose active place of business is located within the state of Mississippi. There is no 50 mile limitation as to how far from the Mississippi state line these non-residents must reside.

Real Estate Services

The WUG policy includes in the definition of Real Estate Services licensees performing notary public, consultant and counselor services.

Ownership Interest

The WUG policy, provides coverage for Real Estate Services relating to property in which the Insured or the Insured's spouse, including any entity, corporation, partnership or trust in which the Insured or the Insured's spouse maintains a financial or ownership interest which does not exceed twenty-five percent (25%).

The WUG policy also provides coverage for Real Estate Services relating to property that is constructed or developed by the Insured or the Insured's spouse, including any entity, corporation, partnership or trust in which the Insured or the Insured's spouse maintains a financial or ownership interest which does not exceed fifteen percent (15%).

COVERAGE B: LOCK BOX PROPERTY DAMAGE LIABILITY

The WUG policy provides Lock Box Property Damage Liability limits of $5,000 Each Occurrence with a $10,000 Aggregate Limit. These limits are NOT sub-limits and no deductible applies to the payment of a claim. First dollar defense expense applies

COVERAGE C: FAIR HOUSING DISCRIMINATION LIABILITY

The WUG policy automatically provides coverage for Fair Housing Discrimination Liability of $25,000 Per Claim limit with a $25,000 Aggregate limit. These limits are NOT sub-limits and no deductible applies to the payment of a claim. First dollar defense expense applies.

COVERAGE D: SUBPOENA ASSISTANCE COSTS

The WUG policy automatically provides coverage for Subpoena Assistance Costs of $2,500 Per subpoena with a $2,500 Aggregate limit. These limits are NOT sub limits and no deductible applies to the payment of a claim.

ENDORSEMENTS AVAILABLE to Coverage A: (additional premiums apply)

Contingent BI & PD for licensees who also perform Property Management Services

WUG will offer by endorsement for an additional premium charge of $25 a $10,000 sub-limit for all claims coverage for Contingent Bodily Injury and Property Damage solely arising from Property Management Services. This is subject to a $1,000 deductible.

Licensed Appraisal Endorsement

WUG will offer by endorsement for an additional premium charge of $200, coverage for appraisal services performed by a licensed or certified real estate appraiser who also holds an active real estate license issued by the state of Mississippi. .

Personal Identity Coverage Endorsement

WUG will offer by endorsement for an additional premium charge of $15, coverage for Personal Identity theft. This provides expert assistance and financial relief of up to $25,000 should a real estate agent and/or their spouse become a victim of identity theft. This coverage applies regardless if the identity theft occurred as a result of a real estate transaction or your personal activities.

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