



# Real Estate Errors and Omissions with Professional Office Package — Professional Liability

This product targets traditional residential real estate sales firms.



## The Hit Zone – *Our highest hit ratio*

- 📍 Firms that derive at least 65% of commission income from residential real estate sales
- 📍 Up to 50 agents/brokers and up to \$5,000,000 in commission income
- 📍 Franchise and non-franchise real estate firms
- 📍 Principal/partner having been licensed as an agent for five years or broker for two years
- 📍 No errors & omissions claims or disciplinary actions in the past five years
- 📍 No involvement in construction or development

### ELIGIBLE RISKS – Includes all of the above characteristics except where amended below

- ▶ One or two errors and omissions claims or circumstances action in the past five years
- ▶ Disciplinary action against a member of the real estate firm
- ▶ Firms that derive less than 10% of commission income from the sale of homes built by them or a related construction or development company
- ▶ Applicants deriving commission income from property management activities

### PRODUCT ADVANTAGES

- ▶ \$250,000 Discrimination coverage automatically included in the policy form for Damages and Claim Expenses
- ▶ \$2500 per Insured/\$5000 aggregate for Insured's defense resulting from an investigation or a proceeding before a state licensing board, local real estate board or government regulatory body
- ▶ \$50,000 Lockbox coverage automatically included in the policy form
- ▶ Option to purchase Environmental Pollutants coverage
- ▶ Full Prior Acts coverage available
- ▶ Defense outside the limit
- ▶ Duty to defend
- ▶ Internet coverage provided
- ▶ Optional Package policy with errors & omissions, general liability and business personal property coverage. General liability includes coverage for bodily injury arising out of professional services
- ▶ A.M. Best rated A++ carrier



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## INELIGIBLE RISKS

- ▶ More than two errors and omissions claims or circumstances in the past five years
- ▶ More than 35% of commission income derived from commercial sales
- ▶ More than 50 agents/brokers
- ▶ More than \$5,000,000 in commission income
- ▶ More than 10% of commission income derived from construction or development activities
- ▶ More than 10% of commission income derived from one builder or developer
- ▶ More than 10% of commission income derived from one location or development
- ▶ More than 10% of commission income derived from the sale of personally owned properties
- ▶ Firms specializing in the sale of properties with average values exceeding \$600,000
- ▶ Disciplinary action against the principal of the firm that resulted in his/her license being suspended or revoked
- ▶ Applicants located in Alabama, Alaska, California, Colorado, Hawaii, Idaho, Iowa, Kentucky, Louisiana, Mississippi, Nebraska, New Mexico, South Dakota, Tennessee, Texas or West Virginia

## AVAILABLE LIMITS

- ▶ ERRORS & OMISSIONS
  - UP TO \$5,000,000
- ▶ BUSINESS OWNERS PACKAGE
  - General Liability
    - \$1,000,000 limit/\$2,000,000 aggregate
  - Personal Property
    - Up to \$250,000 Total Insured Value

## RETENTIONS

- ▶ ERRORS & OMISSIONS
  - Start at \$2500
- ▶ BUSINESS OWNERS PACKAGE
  - \$0 (\$500 for outdoor signs and money & securities coverage)

## SUBMISSION REQUIREMENTS

- ▶ Any new business Real Estate Errors and Omissions application