

Errors and Omissions Renewal Information

NOTICE – ALL ACTIVELY-LICENSED KENTUCKY REAL ESTATE BROKERS AND SALES ASSOCIATES ARE REQUIRED TO MAINTAIN CONTINUOUS REAL ESTATE ERRORS AND OMISSIONS (E&O) INSURANCE

IF YOU ARE INSURED THROUGH THE KENTUCKY REAL ESTATE COMMISSION'S (KREC'S) CURRENT GROUP E&O POLICY, YOUR INSURANCE EXPIRES APRIL 1, 2021.

Kentucky law requires active real estate licensees to maintain real estate E&O insurance to be licensed. You may purchase coverage through our group provider, Rice Insurance Services Company, LLC (RISC), or from another provider, as long as the coverage meets state requirements. KREC charges a \$10 E&O processing fee regardless of where insurance is purchased.

The KREC contracts with RISC to provide professional liability insurance to Kentucky licensees. RISC is the group program administrator (handles enrollment, policy issuance, and point of contact for the KREC and licensees for questions and concerns regarding the group program), and Continental Casualty Company, a CNA company rated "A (Excellent)" by A.M. Best, is the insurance carrier. If you wish to learn more about the KREC's Group E&O Program, administered by RISC, enrollment is now open through RISC's website at www.risceo.com.

The KREC's group policy is a claims-made-and-reported policy, so it only applies to claims first made and reported during the insured licensee's individual policy period. There is no coverage for claims that arise after the end of the individual policy period unless an extended reporting period (ERP) is in place. If you are insured under the KREC's current group policy and are not renewing insurance through RISC for any reason, you may want to consider purchasing a 1, 2, 3, or 5 year ERP endorsement to extend the 2020 policy's reporting date to apply to claims that are first made and reported within that period. Premiums for optional ERP endorsements: 1-year 100% expiring premium, including any endorsement premium; 2-year 150% expiring premium, including any endorsement premium; 3-year 200% expiring premium, including any endorsement premium; 5-year 300% expiring premium, including any endorsement premium. ERP endorsements may only be purchased any time during or up to 90 days after the end of the individual policy period.

If you purchase your required coverage through RISC, please review RISC's policy renewal information below.

If you have insurance through the KREC's current group E&O policy, it expires April 01, 2021. [CLICK HERE TO ENROLL](#) in the 2021 group program through RISC's website, Visa or MasterCard accepted. If you previously created an account/login with RISC, your username is most likely your email address. If you have not yet created an account/login, you will still need to enter a valid email address to begin. This will enable you to create an account near the end of the online enrollment process.

NOTE: KREC charges a \$10 E&O processing fee regardless of where insurance is purchased. Once KREC receives your updated E&O information from RISC, KREC will send you an email prompting you to pay the \$10 processing fee. **Failure to pay the processing fee will result in the cancellation of your license.** To pay the fee, logon to your KREC eServices account, click "Miscellaneous fee," and select "E&O insurance fee" from the drop-down menu. You can pay with by credit card, debit card, or check.

IMPORTANT INFORMATION ABOUT PRIOR ACTS COVERAGE

Any gap between policy periods will result in loss of prior acts coverage, so if your current E&O insurance expires April 01, 2021 and you fail to enroll in the group program with an April 01, 2021 effective date, then you will lose prior acts coverage. Whether or not your insurance applies to professional services that occurred before the inception of your individual policy period is determined by your retroactive date. Your retroactive date is the date you first obtained, and since which have continuously maintained, E&O insurance, with no gaps or breaks between policy periods. A claim involving your prior acts may be considered for coverage if the act, error, or omission took place after your retroactive date. If you have a gap in coverage, your retroactive date will be the date you reestablish coverage, and your insurance will not apply to any professional services performed before and through the last day of the lapse, even if you had insurance coverage when the subject professional services were rendered and again when a claim is made or filed.

Always pay your premium on time to maintain continuous coverage, preserve your retroactive date, protect yourself from uncovered claims, and avoid disciplinary action.

If you have any questions or concerns about the group program, please don't hesitate to contact RISC at 1-800-637-7319, ext. 1 or visit their website at www.risceo.com.

If you have further questions, please contact the Kentucky Real Estate Commission at (502) 564-7760 or by email at ppc.krec@ky.gov.

Thank You,
Kentucky Real Estate Commission