



THIS ENDORSEMENT CHANGES THE REAL ESTATE SERVICES ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY. PLEASE READ IT CAREFULLY.

DISCLOSURE PROTECTION PLAN COVERAGE ENDORSEMENT

Coverage under this Policy is hereby extended to each of the **Named Insured's Sellers** under the terms and conditions of the **DISCLOSURE PROTECTION PLAN**, which is part of this document.

The Limit of Liability for this coverage is \$25,000* per completed contract. A Retention of \$2,500 per **Claim** applies to the **Seller**.

SAMPLE

All other terms and conditions of this Policy remain unchanged.

Disclosure Protection Plan Endorsement

THE DISCLOSURE PROTECTION PLAN IS WRITTEN ON A "CLAIMS-MADE AND REPORTED" BASIS AND PROVIDES COVERAGE FOR THOSE CLAIMS WHICH ARE THE RESULT OF COVERED CIRCUMSTANCES AND WHICH ARE FIRST MADE AGAINST THE SELLER AND REPORTED TO THE COMPANY WHILE THIS INSURANCE IS IN FORCE. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE OR REPORTED AFTER THE END OF THE COVERAGE PERIOD. THIS POLICY IS WRITTEN WITH DEFENSE COSTS INCLUDED WITHIN THE LIMIT OF LIABILITY. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

Throughout this endorsement, the terms "We", "Us", and "Our" refer to the Insurance Company named on the Declarations of the policy to which this endorsement applies. This coverage is provided to the **Named Insured** for the benefit of the **seller**. We agree with the **seller** as follows:

I. DEFINITIONS:

When used in this policy, the following terms displayed in "bold face type" will only have the meaning as stated herein.

Bodily injury means bodily harm, sickness or disease, mental or emotional distress, including death resulting therefrom.

Buyer means the entity or entities identified as the purchaser of **residential property** by way of a **completed contract**.

Completed contract means a binding contract for the sale of **residential property**, the **seller** of which was represented by a licensed real estate agent or broker or other real estate closing service provider where the transaction for such sale has closed. All documents relating to the transfer of title to such **residential property** must have been duly recorded.

Coverage period means 365 consecutive days beginning on the date the transaction evidenced by the **completed contract** closed.

Claim means a demand for money or services, lawsuit, arbitration or mediation proceeding, or alternate dispute resolution proceeding brought against the **seller** by the **buyer** resulting from actual or alleged undisclosed and unknown defects in the **residential property** that was purchased from the seller.

Damage means physical injury to or destruction of tangible property, including all resulting loss of use of that property.

Defense Costs means fees charged by any attorney, and all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **claim**, if incurred by us or by the **seller** with our written consent. **Defense costs** do not include salaries of our employees or officers, or fees and expenses of independent adjusters retained by us.

Injury means **bodily injury** and **personal injury**.

Named Insured means the individual or firm named on the Declarations as the **named insured**.

Personal injury means **injury** or **damage** sustained by any buyers of the seller's **residential property** caused by, based upon, or arising out of false arrest, detention, or imprisonment, malicious prosecution or humiliation; written or oral publication of material that libels, slanders, or disparages the goods, products, or services of others; or wrongful entry or eviction or other invasion of the right of privacy.

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant including radon, asbestos, lead, smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

Residential property means a single-family dwelling, condominium or townhome owned and occupied by the **seller** as their primary residence which could be temporarily unoccupied for fewer than ninety (90) days prior to the date of a **completed contract** and sold to the **buyer**.

Seller means the entity or entities identified as the **seller** of **residential property** in a **completed contract**.

II. COVERAGE AGREEMENT

We will pay on behalf of the **seller**, all amounts, including **defense costs**, up to our limit of liability and in excess of the applicable retention, which the **seller** becomes legally obligated to pay as a result of a **covered claim**. The **covered claim** must be made against the **seller** and reported to the Company within the **coverage period**.

All **claims** arising out of the same or interrelated seller's residential property shall be subject to the one limit of liability, regardless of the number of **claims** made or claimants bringing them.

We have the right and will defend any **claim**, even if any of the charges of the **claim** are groundless, false or fraudulent. We will investigate and make settlement of any **claim** that we deem appropriate.

III. EXCLUSIONS

This endorsement does not apply to any **claim** for, based upon or arising out of any:

1. Knowledge of circumstances prior to the date of a **completed contract** that the seller knew or could reasonably expect that a claim would arise;
2. misrepresentation and/or non-disclosures of known defects unless CRES Risk Management attorney and/or Glide disclosures specifically advised to withhold or omit such information
3. loss, cost or expense, under any circumstances, due to nuclear reaction, radiation, or contamination or **pollutants**, regardless of cause;
4. intentional, dishonest or fraudulent act committed, in fact, by or on behalf of the **seller** to effectuate the sale of **residential property**;
5. **claim** made by or on behalf of the **seller** against the seller's agent, broker or any employee of, or other individual retained by the **named insured**, resulting from professional services rendered or failed to be rendered by or on behalf of the seller's agent;
6. class action suit;
7. counter-**claim**, cross-complaint or similar action instituted against the **buyer** by the **seller**;
8. multiplication of amounts payable under this policy imposed by law; punitive or exemplary amounts; or, any matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed;
9. actual or alleged violation of the Employees Retirement Income Security Act of 1974, Public Law 93-406, commonly referred to as the Pension Act of 1974, or any Federal, State or Local Statutory Law or Common Law, or any of their amendments;
10. actual or alleged anti-trust law violation or agreement or conspiracy to restrain trade;
11. escrow funds in connection with any **completed contract**;
12. fluctuation in market value, or condition, performance or suitability for use of any **residential property**;
13. failure to procure or maintain adequate insurance or bonds prior to the date of a **completed contract**;
14. **damage to residential property** known to have been sustained subsequent to the date of a **completed contract**.
14. **injury**, or **damage** to property not forming a part of the **residential property**;
15. contract or agreement for the assumption of liability to pay for known **damage** to any **residential property**;
16. actual or alleged discrimination, including but not limited to discrimination based on the religion, race, national origin, creed, sex, age, marital status, handicap or sexual preference and/or Fair Housing Act protected classes.

IV. LIMIT OF LIABILITY / RETENTION

The Limit of Liability is \$25,000 (*or \$50,000 or \$100,000 if additional coverage is purchased) per **seller**, per **completed contract** and is the total limit of our liability for all **claims** arising out of, or in connection with, the same **residential property** regardless of the number of **claims** made or claimants.

The limit of liability applies collectively for all entities named as **seller**. This limit of liability applies regardless of the number of persons or organizations who qualify for coverage under this policy as **seller**.

Our obligation to pay as a result of a **claim** and **defense costs** is in excess of the applicable amount of the retention of \$2,500. The **seller** agrees to pay all amounts up to the amount of such retention. Payment of the retention or portions thereof, shall be made by the **seller** as **defense costs** are incurred or a payment for **claim** is made.

Defense costs are included within the Limit of Liability. The amount we will pay for all **defense costs** shall not exceed the limit of liability stated on the Endorsement. **Defense costs** are not payable under this policy until all other insurance available to the **seller** for **defense costs**, if applicable, has been exhausted.

V. CONDITIONS

A. Duties In The Event Of A **Claim**

If the **seller** receives notice of a **claim** during the **coverage period**, the **seller** must give written notice to us as soon as practical but no later than ten calendar days. Notice given by or on behalf of the **seller**, or notice given by or on behalf of the **buyer**, to any of our licensed insurance agents with particulars sufficient to identify the **seller**, shall be deemed notice to us.

The **seller** agrees to fully cooperate with us or our designee in the investigation, making of settlements, conduct of suits or other proceedings, or enforcing any right of contribution or indemnity against another who may be liable to the **seller** because of such **claims**.

The **seller** also agrees to immediately forward all documents received in connection with the **claim** to us, attend hearings and trials, assist in securing and giving evidence and obtaining the attendance of witnesses, and refuse, except at their own cost, to settle any **claim** voluntarily make any payments, assume any obligation or incur any expense without our prior written consent.

B. Legal Action Limitation

Any legal action against us concerning this policy cannot be brought by the **seller** unless they have fully complied with all the provisions of this policy, and the amount of their obligation to pay has been decided. Such amount can be decided by final judgment against such **seller** or by written agreement between the **seller**, us and the claimant. Such action must be brought within three years of claim coverage acceptance or coverage denial.

No individual or entity has any right under this policy to include us in any action against the **seller** to determine their liability, nor will the seller or their representative bring us into such an action.

C. Transfer of Rights of Recovery

If we make any payment under this policy, we shall be subrogated to all rights of recovery of the **seller** against any person or organization. The **seller** shall execute and deliver all instruments and papers and do whatever is necessary to secure such rights. The **seller** shall do nothing to prejudice such rights.

D. Transfer of Interest

This policy is not transferable or assignable unless the **seller** dies or is adjudged incompetent. If either event occurs, the policy will continue for the remaining part of the **coverage period**, first, for the benefit of their legal representative while acting within the scope of such duties, and second for the benefit of anyone having proper temporary custody of the **residential property** until a legal representative is appointed.

E. Changes

Notice to any real estate agent or knowledge possessed by any such real estate agent or any other person who is not the seller shall not act as a waiver or change in any part of this endorsement. This restriction does not apply to the insurance agent. It also will not prevent us from asserting any rights under the provisions of this endorsement. None of the provisions of this endorsement will be waived, changed or modified except by written endorsement issued to form a part of this policy.

F. Other Insurance

If the **seller** has other valid and collectible insurance which applies to the **claim**, this insurance shall be excess over any other insurance, self-insurance, self-insured retention or similar programs, whether primary, excess, contingent or on any other basis.

G. Premium/Cancellation

The premium for this coverage shall be deemed fully earned and non-refundable upon payment.

H. Bankruptcy/Insolvency

The bankruptcy or insolvency of the **seller** or the estate of the **seller** shall not relieve us of any of our obligations under this policy.

I. Misrepresentation/Fraud

This policy shall not provide coverage as a result of any fraud or misrepresentation or concealment by the **seller** in order to obtain coverage under this policy, or, if any **claim** is submitted with intent to defraud.

J. We reserve the right to modify the per transaction premium upon 30 days' notice to the named insured.