

# 2025 NAR INSURANCE PROGRAM OVERVIEW

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December 12, 2024



NATIONAL  
ASSOCIATION OF  
REALTORS®

REALTORS® are members of the National Association of REALTORS®.




NARdotRealtor

nar.realtor

# TOPICS



- Program Basics
- Coverage Summaries
- Action Steps 
- Resources
- Q&A

# DISCLAIMER

*This is a summary of the policies and features offered through the NAR Insurance Program. Insurance policies contain applicable terms and conditions of coverage. All coverage determinations are made by the insurer at the time a claim is made.*



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# PROGRAM BASICS



**WHY ARE WE HERE?**



NAR took the program to market to ensure we are offering the best available coverage.

# KEY ENHANCEMENTS

- 2x higher overall aggregate limit
- Additional types of cyber losses
- Tech E&O coverage
- 25x higher limits for social engineering
- 10x higher patent limits

# KEY DIFFERENCES

- Policy lines broken up into separate policies
- Separate D&O-EPL-Crime policy for ISCs/Associations/MLSs
- Deductibles adjusted to market rates
- Cyber controls for better deductibles
- No excess except Cyber-Media-Tech E&O



# WHAT COVERAGE IS INCLUDED?



**Errors and Omissions  
– E&O**



**Crime Loss**



**Directors  
& Officers – D&O**



**Cyber Liability,  
Media, Tech E&O**



**Employment  
Practices Liability - EPL**



**Patent Infringement**

# WHO IS COVERED?

## NAR Institutes, Societies & Councils

- State chapters
- Local chapters
- Subsidiaries

## State/Territorial/Local REALTOR® Associations

## Association wholly-owned:

- MLSs
- Charitable Foundations
- Political Committees
- Educational endeavors

# WHO IS COVERED?



## Coverage only applies if the insured entity:

Maintains their governing documents in full compliance with the Constitution, Bylaws, and Policies of NAR ...

# WHO IS COVERED?

## AND

Adheres to and follows in their day-to-day activities the procedures and requirements of their governing documents (and NAR policies).

# WHO IS COVERED?

**Directors & Officers**

**Committee Members**

**Employees**

*While acting within the scope of their duties on behalf of the insured entity.*



# IS ANTITRUST COVERED?



YES.

# WHAT ISN'T COVERED?

- Fraud or dishonest acts
- Slip and fall, personal injury
- Disease and infection
- Property damage
- Event cancellation or liability
- Claims for wages, salaries, or benefits
- Worker compensation or OSHA claims

*See each policy for a complete list of exclusions.*





# E&O COVERAGE

# KEY DETAILS

**INSURER:**

Convex (London)

**CLAIM LIMIT:**

\$1,000,000

**AGGREGATE:**

\$5,000,000

**DEDUCTIBLE:**

\$50,000 Pro Standards

\$100,000 all other claims

# WHAT CLAIMS ARE COVERED?

E&O – professional liability insurance – helps cover claims where an association made a mistake in the **member services** provided by the association.

- Negligence
- Misrepresentation
- Errors
- Includes claims arising from a Professional Standards or MLS disciplinary hearing



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# D&O, EPL AND CRIME LOSS COVERAGE

# KEY DETAILS

**INSURER:**

Zurich

**CLAIM LIMITS:**

\$100,000 – entity antitrust  
\$25,000 – crime loss

**AGGREGATE:**

\$3,000,000\*

**DEDUCTIBLE:**

\$5,000 - \$30,000\*\* based on size  
\$10,000 – crime loss

*\*Other than entity antitrust and crime loss there is no per-claim limit.*

*\*\*Any D&O or EPL claim venued in California has a \$50,000 deductible.*

# WHAT CLAIMS ARE COVERED?

## D&O

- Governance issues
- Antitrust
- Breach of fiduciary duty

## EPL

- Employment practices
  - *Includes EEOC*
- Sexual harassment
- Discrimination

# WHAT CLAIMS ARE COVERED?



## Crime Loss

- Theft of money or property by an employee
  - *Including personal expenses on company card*
- Fake invoices
- Social engineering\*
- Forgery

*\*Also covered in the Cyber policy with higher limits.*

# ANTITRUST COVERAGE

Individual directors and officers at all levels—national, state and local—are protected from liability.

- Zurich policy includes full Side A and Side B coverage for the D&O's
- Includes both defense and indemnity
- **\$1,000,000 additional claim limit** in excess of the aggregate limit for Side A



# ANTITRUST COVERAGE

Insured entities (Affiliates, REALTOR® associations and Association-owned MLSs) have entity-level antitrust coverage of **\$100,000 per claim**.

- Additional financial support is available for Insured entities with an antitrust claim where NAR is not already providing financial support
- More details on the Antitrust Defense Fund coming in early January



# CYBER, MEDIA AND TECH E&O COVERAGE

# KEY DETAILS

**INSURER:**

Arch

**CLAIM LIMITS:**

\$1,000,000

**AGGREGATE:**

\$10,000,000

**DEDUCTIBLE:**

With controls: \$10,000 – \$25,000

Without controls: \$25,000 – \$75,000

# WHAT CLAIMS ARE COVERED?



## Cyber Liability + Response

- Computer system breach
- Digital data breach
- Privacy liability
- Extortion expenses
- Regulatory proceedings
- Breach expenses for forensics, credit monitoring, legal expenses, PR firm, etc.
- Business interruption
- Dependent business interruption
- System failure business interruption
- Bricking
- Reputational harm
- Cybercrime/social engineering

**\$250,000 LIMIT FOR SOCIAL ENGINEERING**

# WHAT CLAIMS ARE COVERED?



## Media Liability

- Covers publishing, dissemination, releasing, transmission, production, webcasting, or other distribution of Media Content to the general public
- Includes podcasting, social media, websites
- Covers copyright and trademark infringement, defamation, libel, slander, invasion of the right of privacy

# WHAT CLAIMS ARE COVERED?



## Tech E&O **NEW**

- Covers errors, omissions, negligence or product failures arising from an Association/MLS's technology services and products
- Also covers use of third-party technology products
- Lockbox programs covered under this policy

# WHAT CONTROLS ARE NEEDED?



**Details of all controls will be posted on [nar.realtor](https://nar.realtor)**

Join the insurer for a [webinar](#) on January 23 at 1 pm CT to review security and governance controls in detail

# WHAT CONTROLS ARE NEEDED?

## Cyber Security

- Encryption of Private Information
- Multi-factor authentication
- Backups - encrypted and segregated
- Vulnerability management program
- Patch management program in place
- Email security tool in place
- Endpoint Detection and Response (EDR)



# WHAT CONTROLS ARE NEEDED?

## Cyber Governance

- Employee training on network security and privacy awareness
- Written policies and procedures including Information Security Plan; Privacy Policy; and Incident Response, Business Continuity and Disaster Recovery Plans
- Written protocols in place to manage third party vendors

# WHAT CONTROLS ARE NEEDED?

## Media

- Content Review Process in place for a trained professional employee to review Media Content prior to dissemination
- Policies and procedures to verify that the Insured does not violate another party's intellectual property rights, including procuring the proper licensing for Media Content
- Procedures to remove controversial Media Content from internal and external platforms including Social Media

# WHAT CONTROLS ARE NEEDED?

## Tech E&O

- Written professional services agreements with specific wording/clauses, such as disclaimer of warranties, hold harmless, and data/PII rights and responsibilities
- Written agreements with independent contractors that warrant/guarantee the work performed, and indemnity clause
- Policies and procedures to safeguard against infringing another's IP rights

# EXCESS COVERAGE

## PREMIUM RATE TABLE

<b>Additional Coverage Limits</b>	<b>Premium</b>	<b>Surplus Lines Taxes and Fees</b>	<b>Total Due</b>
\$4,000,000	\$2,625	\$92.93	\$2,717.93
\$3,000,000	\$2,188	\$77.46	\$2,265.46
\$2,000,000	\$1,750	\$61.95	\$1,811.95
\$1,000,000	\$1,313	\$46.48	\$1,359.48
\$500,000	\$875	\$30.98	\$905.98
\$250,000	\$438	\$15.51	\$453.51

# EXCESS COVERAGE



- SCAN FOR FORM -

To purchase excess Cyber, Media and Tech E&O coverage:

1. [Complete the form](#)
2. Make note of the payment amount
3. Complete the transaction on [NAR's payment portal](#)

Deadline to purchase is January 15, 2025. However, to avoid any potential gaps in coverage, **Insureds are urged to purchase by January 1, 2025.**



# PATENT COVERAGE

# KEY DETAILS

<b>INSURER:</b>	Arch (London)
<b>CLAIM LIMITS:</b>	\$500,000*
<b>AGGREGATE:</b>	\$2,000,000
<b>DEDUCTIBLE:</b>	\$25,000

*\*Claim limits are shared by co-defendants in the same action.*

# WHAT CLAIMS ARE COVERED?



## NPE claims

- *Infringement claims brought by an entity who purchases patents or the sole purpose of litigation and licensing schemes. A patent troll.*



## Competitor claims **NEW**

- *Infringement claims brought by the owner of the patent who produces or uses the patented invention or process*





# ACTION ITEMS

# ACTION ITEM #1

**BY DECEMBER 30, 2024**

- After reasonable inquiry, Insureds should submit to Chubb **all known, potential and threatened claims** of which it is aware.
- Include **any circumstance** of which it is aware that **could give rise to a claim.**
- Failure to do so could result in a denial of coverage by Chubb.

**FOLLOW [THESE INSTRUCTIONS](#) TO REPORT A CLAIM.**

# ACTION ITEM #2



**BY JANUARY 1, 2025\***

IF DESIRED, PURCHASE EXCESS  
COVERAGE FOR CYBER, MEDIA  
AND TECH E&O

**\*TO AVOID ANY POTENTIAL GAPS**

*The final deadline to purchase is 1/15/25.*

SCAN THE CODE TO REVIEW PREMIUM RATES  
AND COMPLETE THE FORM

# ACTION ITEM #3



- SCAN TO REGISTER -

**BY JANUARY 23, 2025**

AEs, CEOs, LEGAL COUNSEL, IT  
DIRECTORS and COMMS DIRECTORS  
SHOULD REGISTER FOR THE  
[CYBER CONTROLS WEBINAR](#)

JANUARY 23, 2025 | 1 PM CT

WEBINAR WILL BE RECORDED AND  
POSTED ON NAR.REALTOR



# RESOURCES

# ANNUAL MAILING



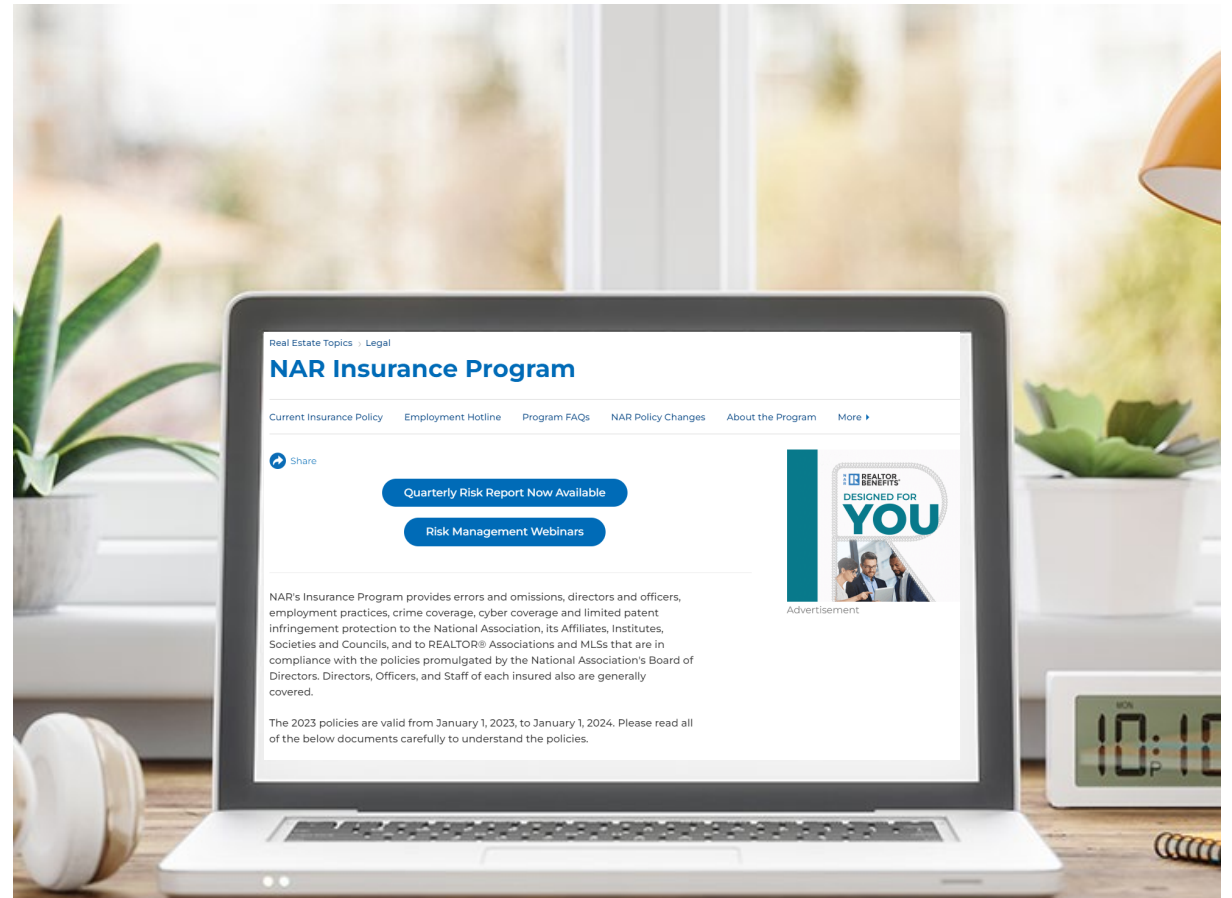
- EARLY JANUARY -

**THE ANNUAL INSURANCE  
MAILING IS GOING ALL-  
VIRTUAL**

# INSURANCE RESOURCES

- EARLY JANUARY -

- Policy documents
- How to file a claim
- Insurer's resources



[nar.realtor/nar-insurance-program](https://nar.realtor/nar-insurance-program)

# INSURANCE RESOURCES

Quarterly Risk Report **ALL NEW IN 2025**

Risk Management Webinar Series

What Directors & Officers Need to Know **UPDATE COMING SOON!**





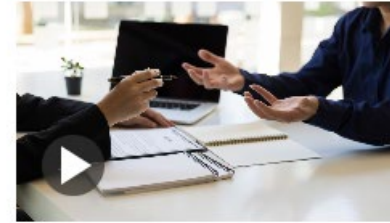
## QUARTERLY WEBINARS

Available on  
[nar.realtor/nar-insurance-program](https://nar.realtor/nar-insurance-program)



March 11, 2024

**AI: What Associations Need to Know Now**



December 13, 2023

**Conducting Internal Investigations**



October 6, 2023

**Financial Guardrails for Associations**



June 23, 2023

**Antitrust for Associations**



March 24, 2023

**The Impact of DEI on Risk Management**



December 8, 2022

**Trending Employment Law Issues**



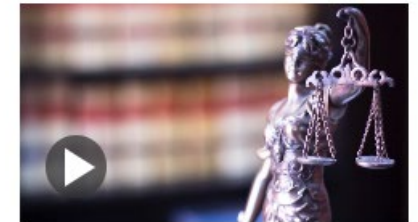
September 15, 2022

**Cybersecurity: Risk & Opportunities for Associations**



June 10, 2022

**ADA Websites: What Associations Need to Know**



March 25, 2022

**Defending Professional Standards Decisions in Court**

# MORE INFORMATION

## NAR INSURANCE PROGRAM

[nar.realtor/nar-insurance-program](https://nar.realtor/nar-insurance-program)

## QUESTIONS?

[insurance@nar.realtor](mailto:insurance@nar.realtor)

## AON ACCOUNT EXECUTIVES

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# THANK YOU.



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