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THE HARTFORD'S REAL ESTATE E&O LIABILITY INSURANCE

protects your business against losses resulting from negligence, errors and omissions. Each policy is customized to meet the needs of your company, with an added layer of protection for the services you provide.

The following claim scenarios demonstrate the need for E&O liability insurance. They include a range of expenses incurred as a result of misrepresentation and fraud or negligence.

Claim 1

Service Real Estate Brokerage

Situation Real estate agent acted as listing agent and broker for sale of residential property. Upon purchase of property, the buyer discovered cracks in the foundation. These were allegedly known by the seller and the client but not disclosed.

Action Buyer alleged deceptive trade practices, fraud, gross negligence, and claimed damages for costs of repair, loss of value, and costs of an alternative living arrangement.

Result The matter settled for \$359K with defense costs of more than \$120K.

Claim 2

Service Property Management

Situation Real estate agent acted as a property manager for a condominium association.

Action Homeowners association alleged breach of contract and fiduciary duty due to defects in roof, paint, stucco and windows with a settlement demand of \$80K.

Result The matter settled for \$30K and defense costs were in excess of \$30K.

Claim 3

Service Real Estate Brokerage

Situation Real estate agent acted as a listing agent for a condominium unit. Buyers alleged age discrimination in the brokering of the condo unit.

Action Buyers alleged violation of Fair Housing Discrimination Act.

Result The matter settled for \$7.5K and defense costs were around \$15K.

Claim 4

Service Foreclosure Services

Situation Real estate agent was retained by a bank to list and remove all garbage from or “trash out” a foreclosed property.

Action Plaintiff filed suit against the bank, mortgage servicing company and real estate agent for wrongful eviction and destruction of property.

Result After a long litigation process, the matter settled for \$80K with defense costs of \$230K.

Claim 5

Service Real Estate Brokerage

Situation Real estate agent acted as listing agent and broker for sale of residential property adjacent to a lake. Upon property purchase, the buyer alleged that the agent misrepresented the property as waterfront when it did not in fact extend to the water’s edge.

Action Buyer claimed damages for loss of value, cost of abatement, fines and mental anguish.

Result The matter settled for \$90K with defense costs of more than \$40K.

Claim 6

Service Commercial Leasing

Situation Real estate agent represented a lessee of a warehouse. Lessor sued the lessee for failing to pay security deposit and rent under the lease. Lessee then sued the real estate agent for failure to negotiate correct terms of the lease.

Action Allegation of negligence by real estate agent in the execution of lease agreement.

Result The matter settled for \$22K with defense costs of \$70K.

continued

Claim 7

Service	Real Estate Brokerage
Situation	Real estate agent acted as a listing agent for residential property. Upon purchase of the home, buyer alleged multiple construction defects, including structural issues.
Action	Allegation of misrepresentation and fraud, including an allegation of engaging in joint venture with the builder to construct and sell the defective home.
Result	The matter settled for \$60K with defense costs of \$168K.

CONTACT

To learn more about Real Estate E&O liability insurance from The Hartford, contact BNK Insurance Services¹ today:

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Fax: 972-330-5895

Email: information@bnkins.com

ABOUT BNK INSURANCE SERVICES

This coverage is offered through BNK Insurance Services,¹ our exclusive program manager. The BNK team is dedicated to understanding real estate risks, with a wealth of knowledge and a track record of delivering insurance solutions. Most importantly, BNK is a company that can deliver the personal service you value.



To submit an application or learn more about BNK Insurance Services, visit BNKINS.COM.



¹ BNK Insurance Services, Inc. is not an affiliate of The Hartford.

The claim scenarios summarized above are offered only as examples. Coverage depends on the actual facts of each case and the terms, conditions and exclusions of each individual policy. Please refer to the policy to determine all terms, conditions, exclusions, and limitations of coverage. In the event of a conflict, the terms and conditions of the policy prevail. All Hartford coverage described in this document may be offered by one or more of the property and casualty insurance company subsidiaries of The Hartford Financial Services Group, Inc. Coverage may not be available in all states. All information and representations herein are as of November 2014.

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