

## **NAR Insurance Program Coverage: What Officers and Directors Need to Know**

*The National Association of REALTORS® provides a suite of professional liability insurance coverages to NAR's Affiliates, qualifying state and local REALTOR® Associations and REALTOR® Association-owned MLSs. Here's what you need to know.*

### **What associations and MLSs are covered by the policy?**

Coverage is extended to REALTOR® associations and REALTOR® association-owned MLSs whose governing documents and operations adhere to the Constitution and Bylaws of NAR and the policies adopted, and amended from time to time, by the Board of Directors of NAR. Associations [must certify annually](#) that its association bylaws and MLS rules and policies include verbatim adoption of mandatory provisions.

### **What types of coverage is provided under the NAR insurance program?**

The NAR Insurance Program includes policies for Errors & Omissions; Directors and Officers/Employment Practices Liability/Crime Loss; Cyber Liability and Response/Media Liability/Tech E&O; Patent Infringement Expense coverage. Note that NAR affiliates, associations and MLSs are covered separately from NAR on the Directors and Officers/Employment Liability/Crime Loss policy, meaning, a claim filed by NAR will not impact the limits on the Affiliate/Association/MLS policy.

### **How much does the coverage cost?**

NAR pays the premium for all the policies within the NAR Insurance Program and provides coverage to eligible associations and MLSs at no cost.

### **Who is covered by the policies?**

Coverage is provided for directors and officers, committee members, and association staff when acting within their scope of authority on behalf of the association or MLS. Non-association related work, such as real estate business, is not covered under the policies.

### **Are charitable foundations covered by the policies?**

Coverage is provided for foundations incorporated or operated as a charitable trust and whose purpose qualifies as an exempt purpose under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code.

### **Is antitrust covered?**

Yes. directors and officers of associations and MLSs have antitrust coverage under the Directors and Officers policy, up to the policy aggregate limit of \$3,00,000 with an additional \$1,000,000 limit for Side A claims. Limited entity-level antitrust coverage

with a \$100,000 per claim limit and aggregate is available for the associations and MLSs; additional antitrust defense support is available through the Legal Action Program's Antitrust Defense Fund.

### **Are there any policy exclusions?**

Generally speaking, the policies within the NAR Insurance Program do not cover fraudulent or dishonest acts or knowing violations of the law. Refer to each policy for a complete list of exclusions.

The NAR Insurance Program policies do not cover premises liability, bodily injury, property damage, event liability, automobile, worker's compensation or similar "business owner" policies. An association should work with a local insurance broker to assess exposure and coverage for these risks.

### **What are the claim limits?**

The maximum amounts that an insurance company will pay on a claim varies by policy and claim type:

Errors and Omissions claims: \$1,000,000 per claim limit

Directors and Officers claims: No per claim limit; \$3,000,000 shared aggregate limit for all claims

Employment Practices Liability claims: No per claim limit; \$3,000,000 shared aggregate limit for all claims

Crime Loss claims: \$25,000 per claim limit

Cyber Liability/Response claims: \$1,000,000 per claim limit

Media Liability claims: \$1,000,000 per claim limit

Tech E&O claims: \$1,000,000 per claim limit

Patent infringement claims: \$500,000 per claim limit

All claims are subject to a deductible, which varies by policy and may be based on the claim type and the size of the association or MLS. For claims on the Cyber/Media/Tech E&O policy, lower deductibles are available if the association/MLS has implemented certain [security and governance controls](#).

### **How can we find out more about the NAR Insurance Program?**

Check out the NAR Insurance Program on [nar.realtor](#) for an overview webinar, a copy of each insurance policy, and answers to [frequently asked questions](#). You will also find a host of risk management resources, including the [employment practices legal helpline](#) and a library of quarterly [Risk Management Webinars](#) highlighting issues that pose risk to associations and resources to help associations build knowledge, incorporate best practices and avoid claims.

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

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