

# NAR INSURANCE PROGRAM

## Chubb Professional Liability Policy Extension

### Fact Sheet

**PLEASE NOTE:** ALL COVERAGE PROVIDED UNDER THE TERMS OF THE ASSOCIATION PROFESSIONAL LIABILITY POLICY IN THE EVENT OF A LOSS IS SUBJECT TO THE EXPRESS TERMS OF THE MASTER POLICY ISSUED TO NAR BY CHUBB INSURANCE COMPANY, INCLUDING ALL TERMS, CONDITIONS, EXCLUSIONS AND ENDORSEMENTS. THE DISCUSSION OF COVERAGE HEREIN IS PROVIDED BY NAR AND AON AND IS INTENDED AS A SUMMARY ONLY. IT DOES NOT INCLUDE ALL PROVISIONS OF THE POLICY. **IF THERE IS A CONFLICT BETWEEN POLICY LANGUAGE AND ANY INFORMATION PROVIDED IN THE FOLLOWING QUESTIONS AND ANSWERS, THE POLICY LANGUAGE WILL CONTROL.**

**Q: Do Associations<sup>1</sup> have professional liability coverage for 2024?**

**A:** Chubb has extended the 2023 Professional Liability policy **through June 30, 2024**. Associations that are eligible under the NAR Insurance Program will have access to the Professional Liability coverage (including E&O, D&O, employment practices liability, cyber, antitrust and crime loss) on the same terms and conditions as the 2023 policy. Coverage is extended only to Associations whose governing documents and operations adhere to NAR's Constitution and Bylaws and the policies adopted, and as amended from time to time, by the NAR Board of Directors.

**Q: Why did Chubb extend the 2023 policy, rather than renew the policy as it's done in the past?**

**A:** Extensions are commonplace in the insurance industry. Given the unique nature and complexity of NAR's policy, the extension is intended to provide the underwriters additional time to review NAR's policy and for the parties to reach agreement on renewal terms.

**Q: How does the extension affect the available coverage?**

**A: It doesn't.** Extending the 2023 Chubb policy means that the same claim limits, coverage, deductibles, and other policy terms and conditions remain identical to the 2023 policy year for the term of the extension, which runs from January 1, 2024 through June 30, 2024.

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<sup>1</sup> The Chubb policy defines Association to include NAR; NAR's Institutes, Societies and Councils; state and local REALTOR® associations; and MLSs that are owned and operated by REALTOR® associations and use of the term "Association" in this document is consistent with this definition.

**Q: Is there a possibility that Chubb will not offer to renew coverage after June 30, 2024?**

**A:** NAR anticipates a renewal option given NAR's longstanding relationship with Chubb. NAR typically re-bids the insurance program every 3 to 7 years, and thus will work with its insurance broker to assess the market in the unlikely event that replacement coverage is necessary or should NAR find such replacement coverage desirable.

**Q: Why isn't excess coverage available for the extension?**

**A:** Chubb has agreed to offer an extension through June 20, 2024 of excess coverage limits to those Associations which purchased excess coverage for the 2023 policy year. The excess extensions are for "as expiring" coverages; for example, if an Association did not purchase crime loss excess coverage for 2023, it cannot purchase crime excess coverage for the extension period. Eligible Associations have been contacted separately with details about their excess extension options.

**Q: Should our Association look for its own professional liability coverage?**

**A:** An Association may elect to seek coverage from another insurer. Be aware that the NAR Professional Liability Policy includes a provision that makes any other valid insurance *primary* for any claim that would be covered under the NAR policy (See Section VII.F of the policy). In such case, the NAR policy then becomes excess insurance over and above the applicable limit of all other insurance, and Chubb has no duty to defend a claim that any other insurer has a duty to defend.