

**HEALTHCARE PROFESSIONAL LIABILITY
CLAIMS MADE COVERAGE PART**

THIS COVERAGE PART PROVIDES CLAIMS MADE COVERAGE ONLY. COVERAGE IS LIMITED TO LIABILITY FOR CLAIMS FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE POLICY WITH YOUR INSURANCE REPRESENTATIVE.

I. INSURING AGREEMENT

Healthcare Professional Liability

We will pay those sums that **you** become legally obligated to pay others as damages resulting from a **medical incident** arising out of **professional services** provided by any **Insured**. The amount **we** will pay for damages is limited as described in Section IV., Limits of Insurance. The **medical incident** must take place on or after the retroactive date and before the end of the **policy period**. A **claim** for a **medical incident** must be first made against an **Insured** during the **policy period** or the extended reporting period, if applicable. A **claim** for a **medical incident** must be made within the coverage territory.

No other obligation to pay sums or perform acts or services is covered unless explicitly provided for under Section II. DEFENSE AND OTHER PAYMENTS UNDER THIS POLICY - ALL COVERAGE PARTS of the GENERAL POLICY PROVISIONS AND CONDITIONS.

II. WHO IS AN INSURED

The following are **Insureds** under this Coverage Part:

- A. **You**.
- B. An individual and the individual's spouse are **Insureds**, but only with respect to the conduct of **your** business named in the Declarations of which such individual is the sole owner.
- C. A partnership or joint venture is an **Insured**, but only if the partnership or joint venture is specifically listed as a **Named Insured**. The partnership's partners or joint venture's members and their spouses are also **Insureds**, but only with respect to the conduct of **your** business.
- D. A limited liability company is an **Insured**, but only if the limited liability company is specifically listed as a **Named Insured**. The limited liability company's members are also **Insureds**, but only with respect to the conduct of **your** business. **Your** managers are **Insureds** but only with respect to their duties as **your** managers.
- E. If **you** are designated in the Declarations as other than partnership, joint venture or limited liability company, the organization so designated and any **executive officer**, director or stockholder thereof while acting within the scope of his duties for **you**.

- SPECIAL**
- F. **Your employees**, other than **your executive officers** (if you are an organization other than a partnership, joint venture or limited liability company) or **your managers** (if **you** are a limited liability company), are **Insureds**, but only for acts within the scope of their employment by **you** or while performing duties related to the conduct of **your** business.
 - G. Any student enrolled in a training program in connection with **your** professional services, but only when acting within the scope of his or her duties and at **your** direction.
 - H. Any of **your** authorized volunteer workers, other than a healthcare provider, but only while acting within the scope of their duties as such and at **your** direction.
 - I. **Your** legal representative if **you** die, but only with respect to his or her duties as a legal representative.
 - J. **Your** superintendents, administrators, directors, department heads and heads of the medical staff, but only in their capacity as such.
 - K. Members of **your** boards and committees, but only for conduct arising out of their duties as board or committee members and those who execute orders from **your** boards or committees, but only while in the course and scope of executing those orders.
 - L. **Your** trustees and governors, but only for the conduct of **your** business within the course and scope of their employment or their duties as trustees or governors.

III. EXCLUSIONS

This insurance does not apply to any **medical incident, claim** or **suit** arising out of:

A. Prior Acts

Acts, errors or omissions of which an **Insured** had knowledge prior to the inception date of the **policy period**, if, as of such date, an **Insured** could reasonably foresee a **claim** might result.

B. Contractual Liability

Any liability **you** assume under any contract or agreement except an **insured contract**.

This exclusion does not apply to:

1. Liability that **you** would have in the absence of a contract or agreement;
2. Liability **you** assume in a written contract with:
 - a. A Health Maintenance Organization;
 - b. A Preferred Provider Organization;
 - c. An Independent Practice Association; or
 - d. Any other similar organization;

but only for such liability as is attributable to an **Insured's** alleged negligence arising out of **professional services**; or

3. A warranty of fitness or quality of any therapeutic agents or supplies an **Insured** has furnished or supplied in connection with treatment that has been performed.

C. Unfair Trade Practices

Any allegations of price fixing, unfair competition or trade practices; a dispute over fees, income or revenue; the inducement to enter into, the interference with or the dissolution or termination of any business or economic relationship; or violations of any federal, state or local law (including but not limited to Title 15 of the United States Code or any similar state statute) that prohibits the unlawful restraint of trade, business or profession.

This exclusion shall not apply to allegations of restraint of trade, business or profession arising out of the activities of the **Insured's** professional boards or committees as described in Section II., Who Is An Insured, K. provided that settlement thereof or final judgment rendered therein does not affirm a violation of law; regardless of such final settlement or adjudication, **we** will provide a defense as to such allegations.

D. U.S. Department of Health & Human Services (HHS)

Any administrative or judicial hearings pertaining to Medicare/Medicaid fraud or any other hearing initiated against an Insured by HHS or by any utilization or quality review organization under contract with HHS.

This exclusion does not apply to HHS proceedings that allege the violation of the Emergency Medical Treatment and Labor Act.

E. Workers Compensation and Similar Laws

Any obligation an **Insured** has under a workers compensation, disability benefits, or unemployment compensation law or any similar law.

F. Employer's Liability

1. **Bodily Injury** to an **employee** of **yours** arising out of and in the course of:
 - a. Employment by **you**; or
 - b. While performing duties related to the conduct of **your** business; or
2. **Claims** or **suits** by a spouse, child, parent, grandparent, brother, or sister of that **employee** as a consequence of sub-paragraph a. above.

This exclusion applies:

1. Whether **you** may be liable as an employer or in any other capacity; and
2. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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G. Employment Practices

Refusal to employ, termination of employment, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or other practices or policies related to employment or professional privileges.

This exclusion does not apply to services by any person as a member of **your** formal accreditation, standards review or similar professional board or committee otherwise covered by this Policy.

H. ERISA

Employee Retirement Income Security Act (ERISA) of 1974 or amendments thereto, or any similar state law.

I. Damage to Property

Any damage to real or personal property and consequential loss resulting therefrom.

J. War

War, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

K. Dishonest Practices

Dishonest, fraudulent, criminal or malicious acts, errors, or omissions; however, **we** will defend civil **claims** alleging such acts, errors or omissions until final adjudication.

L. Pollution

1. The actual, alleged, or threatened, discharge, dispersal, seepage, migration, release, or escape of **pollutants**;
2. Any direction, request, demand, order or statutory or regulatory requirement to test for, monitor, investigate, cleanup, remove, contain, treat, detoxify, or neutralize **pollutants** or in any way respond to or assess the effects of **pollutants**; or
3. Any cost, charge, expense or request for reimbursement arising out of 1. or 2. above.

This exclusion shall not apply to damages arising out of heat, smoke or fumes from a **hostile fire**. As used in this exclusion, **hostile fire** means a fire which becomes uncontrollable or breaks out from where it was intended to be.

M. Nuclear Hazards

Nuclear fission, nuclear fusion or radioactive contamination.

This exclusion does not apply to **bodily injury** to a **patient** arising out of the practice of Nuclear Medicine.

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N. Asbestos

The manufacture, mining, use, sale, installation, removal, abatement, clean-up, distribution or exposure to asbestos, asbestos containing waste materials, asbestos waste, asbestos fibers, asbestos products and asbestos dust.

O. Sexual Misconduct

Any sexual act, including without limitation sexual intimacy (even if consensual), sexual contact, sexual advances, requests for sexual favors, sexual molestation, sexual assault, sexual abuse, sexual harassment, sexual exploitation or other verbal or physical conduct of a sexual nature. However, this exclusion does not apply to:

1. Any Specific Individual **Insured** who allegedly committed such sexual misconduct, unless it is judicially determined that the Specific Individual **Insured** committed the sexual misconduct. If it is judicially determined that the Specific Individual **Insured** committed the sexual misconduct we will not pay any damages.
2. Any other **Insured**, unless that **Insured**:
 - a. knew or should have known about the sexual misconduct allegedly committed by the Specific Individual **Insured**, but failed to prevent or stop it; or
 - b. knew or should have known that the Specific Individual **Insured** who allegedly committed the sexual misconduct had a prior history of such sexual misconduct.

We will defend **claims** alleging such acts until final adjudication.

As used in this exclusion, Specific Individual **Insured** includes employees and authorized volunteer workers while performing duties related to the conduct of **your** business.

P. Discrimination/Humiliation

Discrimination based on, but not limited to race, color, creed, sex, religion, age, national origin, physical impairment, sexual preference, nor any **claims** involving humiliation or mental anguish, arising out of such discrimination whether or not for alleged violation of any federal, state or local government law or regulation prohibiting such discrimination.

Q. Expected Or Intended Injury

Damages or harm expected or intended from an **Insured's** standpoint.

R. Other Coverage Parts

Any **claims** or **suits** brought under any Coverage Part of this Policy other than this Healthcare Professional Liability Claims Made Coverage Part.

S. Physicians

Any **claim** against any physician, including any resident, intern, extern, or fellow. This exclusion, however, shall not apply to any physician, including any resident, intern, extern, or fellow, employed by **you** with respect to the following:

1. Charitable activities approved by the **Named Insured**;
2. Participation in employer sponsored continuing medical education courses; or
3. While acting within the scope of their administrative duties for **you**.

T. Insured vs. Insured

Any **claims** made by one **Insured** against another **Insured**.

This exclusion does not apply to services by any person as a member of **your** formal accreditation, standards review or similar professional board or committee otherwise covered by this Policy.

U. Penalties

Any fines, penalties, punitive, exemplary, multiplied damages or the multiple portion of multiple damages.

IV. LIMITS OF INSURANCE

- A. The Limits of Insurance shown in Item 5(a) of the Declarations for Healthcare Professional Liability and the provisions below fix the most we will pay regardless of the number of:
 1. **Insureds**;
 2. **Claims** made or **suits** brought; or
 3. Persons or organizations making **claims** or bringing **suits**.
- B. The Aggregate Limit is the most **we** will pay for damages under Section I. INSURING AGREEMENT - Healthcare Professional Liability
- C. Subject to paragraph A. above, the each **medical incident** limit stated in the Declarations, is the most **we** will pay under this Coverage Part for damages arising out of a single **medical incident**.
- D. All **claims** arising from one **medical incident** or a series of related **medical incidents** to any one **patient** shall be treated and shall be deemed to have occurred at the time of the first **medical incident** regardless of the number of claimants, or the number of **Insureds** against whom such **claims** are made.
- E. If the **policy period** is extended for an additional period of less than 12 months, the additional period will be deemed part of the policy period for purposes of determining the Limits of Insurance.

V. DEDUCTIBLE

- A. The **First Named Insured** shall be responsible for the deductible amount shown in the Declarations. Expenses **we** incur in investigating and defending **claims** and **suits** are included in the deductible. The deductible applies to each **medical incident** and the **First Named Insured** shall not insure against it without **our** written consent. All **claims** arising from a single **medical incident** or from continuous, related, or repeated **medical incidents** shall be subject to one deductible.

- B. The deductible aggregate show in Item 5(a) of the Declarations is the maximum amount of deductibles for which the **Named Insured** will be responsible for all **medical incidents** occurring during the **policy period**.
- C. **We** may pay all or part of the deductible to settle a **claim** or **suit**. The **First Named Insured** agrees to repay **us** promptly after **we** notify the **First Named Insured** of the settlement.

VI. ADDITIONAL CONDITIONS APPLICABLE TO THIS COVERAGE PART

In addition to the GENERAL POLICY PROVISIONS AND CONDITIONS - Section III. CONDITIONS APPLICABLE TO ALL COVERAGE PARTS, the following Conditions apply to this Coverage Part:

A. Automatic Extended Reporting Period

1. If this Coverage Part is canceled or not renewed for any reason other than non-payment of premium, and if the Optional Extended Reporting Period Endorsement is not purchased, then **we** will provide an automatic extended reporting period of sixty (60) days, starting with the end of the **policy period**, during which **claims** arising out of **medical incidents** which take place on or after the retroactive date stated on the Declarations Page but before the end of the **policy period** may be first made.
2. The automatic extended reporting period does not extend the **policy period** or change the scope of coverage provided. Any **claim** first made during the automatic extended reporting period shall be deemed to have been made on the last day of the **policy period**.
3. The automatic extended reporting period, however, will not apply to **claims** if other insurance purchased by **Insureds** covers them or would have covered them had its limits of insurance of this policy not been exhausted.
4. The Aggregate Limits of Insurance applicable to this Coverage Part shall not be increased or reinstated for the automatic extended reporting period.

B. Optional Extended Reporting Period

1. If the **First Named Insured** or **we** cancel or do not renew this insurance, the **First Named Insured** shall have the option to purchase an Optional Extended Reporting Period Endorsement, beginning with the end of the **policy period**. The additional premium for and the term of the Optional Extended Reporting Period Endorsement shall be as stated in Item 3.c. of the Declarations. The **First Named Insured** can not purchase this Endorsement if **we** cancel for non-payment of premium.
2. The Optional Extended Reporting Period Endorsement applies only to **claims** first made against the **Insured** during the Optional Extended Reporting Period and arising from **medical incidents** which take place on or after the retroactive date stated in the Declarations Page and before the end of the **policy period**. The Aggregate Limits of Insurance applicable to this Coverage Part shall not be increased or reinstated for **claims** under the Endorsement. **Claims** first made during the Optional Extended Reporting Period Endorsement shall be deemed to have been made on the last day of the **policy period**.
3. To obtain an Optional Extended Reporting Period Endorsement the **First Named Insured** must request it in writing within sixty (60) days after the **policy period** ends and pay the premium due. If the **First Named Insured** does so, the premium shall be fully earned and the

Extended Reporting Period Endorsement cannot be canceled. If **we** do not receive the written request and payment within sixty (60) days after the **policy period** ends, the **First Named Insured** may not exercise this option at a later date.

4. The insurance provided under the Extended Reporting Period Endorsement is excess over any other valid and collectible insurance that begins or continues in effect after the Extended Reporting Period Endorsement becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.
5. Our offer of terms, conditions or premium different from the expiring Policy or Coverage Part shall not be considered a refusal or failure to renew this insurance.

C. Duties In the Event Of A **Claim, Suit, or Medical Incident**

1. If during the **policy period**, the **First Named Insured** shall become aware of any **medical incident** which may reasonably be expected to give rise to a **claim** being made against any **Insured**, the **First Named Insured** must notify **us** in writing as soon as practicable. To the extent possible, notice should include:

- a. How, when, and where the **medical incident** took place;
- b. The names and addresses of any injured persons and witnesses; and
- c. The nature and location of any injury or damage arising out of the **medical incident**.

Any **claim** arising out of such **medical incident** which is subsequently made against any **Insured** and reported to **us**, shall be considered first made at the time such notice was given to **us**.

Receipt by **us** of an incident report, including but not limited to variance reports, will not be considered a **claim to us**.

Any observance or reporting to the **First Named Insured** by **us** of any physical condition or other circumstance as a result of inspections, audits, engineering, loss control or risk management services shall not be considered a **claim to us**.

2. If a **claim** or **suit** is brought against an **Insured** arising out of a **medical incident**, the **First Named Insured** must:
 - a. Immediately record the specifics of the **claim** or **suit** and the date received;
 - b. Provide **us** with written notice of the **claim** or **suit** as soon as practicable; and
 - c. Immediately send **us** copies of any demands, notices, summonses, or legal papers received in connection with the **claim** or **suit**.

**HEALTHCARE PROFESSIONAL LIABILITY AND
HEALTHCARE GENERAL LIABILITY**

GENERAL POLICY PROVISIONS AND CONDITIONS

VARIOUS PROVISIONS IN THE GENERAL POLICY PROVISIONS AND CONDITIONS AND COVERAGE PARTS RESTRICT COVERAGE. THERE MAY BE BOTH OCCURRENCE COVERAGES AND CLAIMS MADE COVERAGES IN THIS POLICY. PLEASE READ ALL GENERAL POLICY PROVISIONS AND CONDITIONS AND COVERAGE PARTS CAREFULLY TO DETERMINE YOUR RIGHTS, DUTIES, AND WHAT IS AND WHAT IS NOT COVERED. A COMPLETE POLICY INCLUDES THE DECLARATIONS, GENERAL POLICY PROVISIONS AND CONDITIONS, AND THE APPLICABLE COVERAGE PARTS.

Throughout this Policy the words **you** and **your** mean the **First Named Insured**, including any other **Named Insured**. The words **we**, **us** and **our** mean the Company providing insurance under this Policy. Other words and phrases are defined in Section I. Definitions Applicable To General Policy Provisions and Conditions and All Coverage Parts. Further, words that appear in the General Policy Provisions and Conditions may be defined in other Coverage Parts forming part of this policy.

In consideration of the payment of the premium and in reliance upon the statements in the Application and upon the Declarations, we agree as follows:

I. DEFINITIONS APPLICABLE TO GENERAL POLICY PROVISIONS AND CONDITIONS AND ALL COVERAGE PARTS

- A. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about **your** goods, products or services for the purpose of attracting customers or supporters.
- B. **Auto** means a land motor vehicle, trailer, or semitrailer designed for travel on public roads, including any attached machinery or equipment. **Auto**, however, does not include **mobile equipment**.
- C. **Biomedical Waste** means a biological agent or condition including, but not limited to, an infectious organism or unsafe laboratory condition that may cause or result in **bodily injury** or **property damage**.
- D. **Bodily Injury** means physical injury, sickness or disease sustained by any person, including death resulting from any of these at any time. **Bodily injury** does not include emotional distress or mental anguish unless due to physical injury, sickness or disease.
- E. **Claim** means a written demand against an insured for monetary damages, including a **suit**.
- F. **Defense Costs** means costs and expenses incurred by **us** including fees charged by an attorney designated by **us** to investigate or defend any **claim** or **suit** brought against any **insured**.
Defense costs does not include salary charges or the expenses of **our** regular employees.
- G. **Employee** means a person paid by **you** in connection with **your** business. It includes a **leased worker** but does not include a **temporary worker** or independent contractor.

- H. **Executive Officer** means a person holding any of the officer positions created by **your** charter, constitution, by-laws or any other similar governing document.
- I. **First Named Insured** means the **Named Insured** designated on Item 1. of the Declarations attached to this policy.
- J. **Impaired Property** means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:

1. It incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate, or dangerous; or
2. **You** have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

1. The repair, replacement, adjustment or removal of **your product** or **your work**; or
2. The fulfilling of the terms of the contract or agreement by **you**.

K. **Insured Contract** means:

1. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to **you** or temporarily occupied by **you** with permission of the owner is not an **insured contract**;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. An elevator maintenance agreement; or
6. That part of any other contract or agreement pertaining to **your** business (including an indemnification of a municipality in connection with work performed for a municipality) under which **you** assume the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph 6. does not include that part of any contract or agreement:

- a. That indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- b. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - i. Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings, designs and specifications; or
 - ii. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

- c. Under which **you**, if an architect, engineer or surveyor, assumes liability for **bodily injury** or **property damage** arising out of **your** rendering or failure to render professional services, including those listed in b. above and supervisory, inspection, architectural or engineering activities.
- L. **Leased Worker** means a person leased to **you** by a labor leasing firm, under an agreement between **you** and the labor leasing firm, to perform duties related to the operations as described in the Declarations and which are at **your** direction. **Leased worker** does not include a **temporary worker**.
- M. **Loading or Unloading** means the handling of property:
1. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, or **auto**;
 2. While it is in or on an aircraft, watercraft or **auto**; or
 3. While it is being moved from an aircraft, watercraft or **auto** to the place where it is finally delivered;
- But **loading** or **unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft, or **auto**.
- N. **Medical Incident** means any act, error or omission in the providing of or failure to provide **professional services**.
- O. **Mobile Equipment** means any of the following types of land vehicles, including any attached machinery or equipment and including, but not limited to:
1. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;
 2. Vehicles maintained for use solely on or next to premises **you** own or rent;
 3. Vehicles that travel on crawler treads;
 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
 5. Vehicles other than those described in Items 1, 2, 3, or 4 above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers;
 6. Vehicles other than those described in Items 1, 2, 3, or 4 above that are maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

- a. Equipment designed primarily for:
 - i. Snow removal;

- ii. Road maintenance, but not construction or resurfacing; or
- iii. Street cleaning;
- b. Cherry pickers and similar devices mounted on **auto** or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- P. **Occurrence** means:
1. As respects **bodily injury, property damage** or medical expense, an accident, including continuous or repeated exposure to substantially the same general conditions, which results in **bodily injury** or **property damage** neither expected nor intended from the standpoint of the **Insured**. All such exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**;
 2. As respects **personal injury**, an offense arising out of your business that results in **personal injury**. All **damages** that arise from the same or related injurious material or act shall be considered as arising out of one **occurrence**, regardless of the frequency of repetition thereof, the number and kind of media used and the number of claimants;
 3. As respects **advertising injury**, an offense committed in the course of advertising your goods, products and services that results in **advertising injury**. All **damages** that arise from the same or related injurious material or act shall be considered as arising out of one **occurrence**, regardless of the frequency or repetition thereof, the number and kind of media used and the number of claimants.
- Q. **Patient** means a person seeking or receiving, either on an inpatient, outpatient or emergency basis, any form of medical, surgical, dental or nursing care or any service or treatment.
- R. **Personal and Advertising Injury** means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:
1. False arrest, detention, or imprisonment;
 2. Malicious prosecution;
 3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies, committed by or on behalf of its owner, landlord, or lessor;
 4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 5. Oral or written publication of material that violates a person's right of privacy;
 6. The use of another's advertising idea in **your advertisement**;
 7. Infringing upon another's copyright, trade dress or slogan in **your advertisement**.
- S. **Policy Period** means the period commencing on the inception date shown on the Declarations and ending on the earlier of the expiration date or the effective date of cancellation of the Policy.
- T. **Pollutants** means any solid, liquid, gaseous, or thermal irritant or contaminant, including, but not limited to: smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes, but is not limited to, **biomedical waste** and materials to be recycled, reconditioned or reclaimed.

U. **Products-Completed Operations Hazard** includes all **bodily injury** and **property damage** occurring away from premises **you** own or rent and arising out of **your product** or **your work** except:

1. Products that are still in **your** physical possession; or
2. Work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
 - a. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 - b. When all of the work called for in **your** contract has been completed.
 - c. When all of the work to be done at the job site has been completed if **your** contract calls for work at more than one job site.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

This hazard does not include **bodily injury** or **property damage** arising out of:

1. The transportation of property, unless the injury or **damage** arises out of a condition in or on a vehicle not owned or operated by **you**, and that condition was created by the **loading or unloading** of that vehicle by any Insured;
2. The existence of tools, uninstalled equipment, or abandoned or unused materials; or
3. Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

V. **Professional Services** means:

1. Medical, surgical, dental, nursing or other health care services including but not limited to the furnishing of food or beverages in connection with such services; the practice of nuclear medicine; the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or the handling or treatment of deceased human bodies, including, but not limited to, autopsies, organ donation or other procedures;
2. Services by any person as a member of a formal accreditation, standards review or similar professional board or committee of any Insured; or
3. Supervising, teaching, proctoring others at **your** request.

W. **Property Damage** means:

1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured. Solely with respect to any **bodily injury** and **property damage** coverage of this policy, all such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

X. **Suit** means a civil action in which damages are alleged because of an **occurrence, claim, medical incident, bodily injury, property damage, personal injury** or **advertising injury** to which this insurance applies. **Suit** includes:

1. An arbitration proceeding in which such damages are claimed and to which an **Insured** must submit or does submit with **our** consent; or

2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which an **Insured** submits with **our** consent.
- Y. **Temporary Worker** means a person who is furnished to **you** to substitute for a permanent **employee** on leave or to meet seasonal or short-term work load requirements.

Z. **Your Product** means:

1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. **You**;
 - b. Others trading under **your** name; or
 - c. A person or organization whose business or assets **you** have acquired; and
2. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your product includes:

1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
2. The providing of or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

AA. **Your Work** means:

1. Work or operations performed by **you** or on **your** behalf; and
2. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your work**; and
2. Providing of or failure to provide warnings or instructions.

II. DEFENSE AND OTHER PAYMENTS UNDER THIS POLICY - ALL COVERAGE PARTS

- A. When **we** have the duty to defend any **suit**, **we** will defend such **suit** against the **Insured** for a covered **claim** seeking damages on account of a **medical incident, bodily injury, property damage, personal injury** or **advertising injury** even if such **claim** or **suit** is groundless, false or fraudulent. **We** have the right to investigate, defend, appoint an attorney to defend and settle the **suit** as **we** deem expedient.
- B. In addition to the Limits of Insurance applicable to this Policy, **we** shall pay, with respect to any **suit we** defend:
1. All expenses **we** incur including **defense costs**.
 2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which any **bodily injury** liability coverage applies. **We** do not have to furnish these bonds.

3. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. **We** do not have to furnish these bonds.
4. All reasonable expenses incurred by an **Insured** at **our** request to assist **us** in the investigation or defense of the **suit**, including actual loss of earnings up to \$500 a day because of time off from work.
5. Pre-judgment interest awarded against the **Insured** on that part of the judgment **we** pay. If prior to judgment, **we** make an offer to pay the applicable Limit of Insurance, **we** will not pay any pre-judgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.
7. All costs taxed against the **Insured** in the **suit**.
8. Premiums on appeal bonds required by law to appeal any **suit we** defend, but only for bond amounts within the applicable Limits of Insurance. **We** are not obligated to apply for or furnish any such bond.
- C. With respect to the HEALTHCARE GENERAL LIABILITY COVERAGE PART only, if **we** defend an **Insured** against a **suit** and an indemnitee of the **Insured** is also named as a party to the **suit**, **we** will defend that indemnitee if all of the following conditions are met:
1. The **suit** against the indemnitee seeks damages for which the **Insured** has assumed the liability of the indemnitee in a contract or agreement that is an **insured contract**;
 2. This insurance applies to such liability assumed by the **Insured**;
 3. The obligation to defend, or the cost of the defense of that indemnitee, has also been assumed by the **Insured** in the same **insured contract**;
 4. The allegations in the **suit** and the information **we** know about the **occurrence** are such that no conflict appears to exist between the interests of the **Insured** and the interests of the indemnitee;
 5. The indemnitee and the **Insured** ask **us** to conduct and control the defense of that indemnitee against such **suit** and agree that **we** can assign the same counsel to defend the **Insured** and the indemnitee; and
 6. The indemnitee agrees in writing to:
 - a. Cooperate with **us** in the investigation, settlement or defense of the **suit**,
 - b. Immediately send **us** copies of any demands, notices, summonses or legal papers received in connection with the **suit**;
 - c. Notify any other insurer whose coverage is available to the indemnitee; and
 - d. Cooperate with **us** with respect to coordinating other applicable insurance available to the indemnitee; and
 7. The indemnitee provides **us** with written authorization to:
 - a. Obtain records and other information related to the **suit**; and
 - b. Conduct and control the defense of the indemnitee in such **suit**.

So long as the above conditions are met, attorneys fees incurred by **us** in the defense of that indemnitee, necessary litigation expenses incurred by **us** and necessary litigation expenses incurred by the indemnitee at **our** request, will be paid as stated in Section II. Defense And Other Payments Under This

Policy-All Coverage Parts. Notwithstanding the provisions of Section III. S. 2. b. (Contractual Liability) of the HEALTHCARE GENERAL LIABILITY COVERAGE PART such payments will not be deemed to be damages for **bodily injury** and **property damage** and will not reduce the Limits of Insurance.

Our obligation to defend an Insured's indemnitee and to pay for attorney's fees and necessary litigation expenses as Other Payments Under This Policy ends when:

1. **We** have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
 2. The conditions set forth above, or the terms of the agreement described in paragraph 6. above, are no longer met.
- D. **Our** duty to defend any **suit** ends, and **we** may withdraw from the defense, after the applicable Limit of Insurance has been exhausted by the payment of settlements, judgments or awards including pre-judgement interest.

III. CONDITIONS APPLICABLE TO ALL COVERAGE PARTS

The following conditions apply to all coverage parts:

A. Assistance and Cooperation

The Insured shall:

- a. Cooperate with **us** in the investigation, settlement, or defense of the **claim** or **suit**; and
- b. Assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.

The Insured shall not, except at the Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without **our** consent.

B. Audit

We may audit and examine **your** books and records as they relate to this policy at any time during the period of this policy and for up to three years after the expiration or termination of this policy.

C. Changes

Notice to any agent or knowledge possessed by any agent or any other person will not effect a waiver or a change in any part of this policy. This policy can only be changed by a written endorsement that becomes a part of this policy and that is signed by one of **our** authorized representatives.

D. Knowledge and Notice of a **Medical Incident** or **Occurrence**

Knowledge of a **medical incident** or **occurrence** on the part of the risk management department or on the part of an executive officer constitutes knowledge by the **First Named Insured**.

E. Coverage Territory

We will cover an **occurrence**, offense or **medical incident** in the United States of America, its territories and possessions, Canada and Puerto Rico, provided a **claim** is made and **suit** is brought in the United States of America, its territories and possessions, Canada or Puerto Rico.

F. Mergers/Acquisitions

We will cover any organization **you** newly acquire or form, other than a partnership, joint venture or limited liability company, and over which **you** maintain ownership or at least a majority interest, only for sixty (60) days or for the remainder of the **policy period**, whichever is less, from the date that **you** acquire or form it. **You** are not covered for damages that arise out of **bodily injury, property damage or medical incidents** that occurred before **you** acquired or formed the organization, or **personal and advertising injury** arising out of an **occurrence** which took place before **you** acquired or formed the organization. **You** shall notify **us** or **our** authorized representative in writing within sixty (60) days of such acquisition.

If any person or organization became an additional **Named Insured** under this policy after the inception date, the **policy period** for that person or organization begins on the date that such person or organization became an additional **Named Insured** and ends on the earlier of the expiration date or the effective date of cancellation of the policy.

For coverage to apply to the newly acquired or formed organization upon acquisition **you** must do the following within sixty (60) days:

1. Submit an underwriting application to **us**;
2. The application must be approved by **us**;
3. Pay any additional premium; and
4. Agree to any amendment of the provisions of this Policy required by **us** relating to such company.

If **you** are acquired or merged into another organization not named as an **Insured** in this policy, then this insurance shall cease immediately upon such acquisition or merger.

G. Legal Action Against Us

No person or organization has a right under this Policy:

1. To join **us** as a party or otherwise bring **us** into a **suit** asking for damages from **you**; or
2. To sue **us** under this Policy, unless all this Policy's terms have been complied with in full.

A person or organization may sue **us** to recover on an agreed settlement or on a final judgment against **you** obtained after an actual trial; but **we** will not be liable for damages that are not payable under the terms of any Insuring Agreement or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by **us**, **you** and the claimant or the claimant's legal representative.

H. Other Insurance

If there is other insurance which applies to the loss resulting from an **occurrence**, offense or **medical incident**, the other insurance must pay first. This Policy applies to the amount of the loss which is more than:

1. The Limits of Insurance of the other insurance; and
2. The total of all deductibles and self-insured amounts under all such other insurance.

I. Other Member Companies of the American International Group, Inc. Policies

Two or more insurance policies may be issued by **us** or other member companies of American International Group, Inc. These policies may provide coverage for:

1. **Claims** or **suits** arising from the same **occurrence**, offense or **medical incident**; or
2. Persons or organizations covered in those policies that are jointly and severally liable.

In such a case, **we** shall not be liable under this Policy for an amount greater than the proportion of the loss that this Policy's applicable Limit of Insurance bears to the total applicable Limits of Insurance under all such policies.

In addition, the total amount payable under all such policies is the highest, single applicable Limit of Insurance among all such policies.

J. Separation of Insureds

Except with respect to the Limits of Insurance and deductible, and except with respect to any rights or duties specifically assigned in this Policy to the **Named Insured**, this insurance applies:

1. As if each **Insured** were the only **Insured**; and
2. Separately to each **Insured** against whom a **claim** is made or **suit** is brought.

K. Bankruptcy/Insolvency

Your bankruptcy or insolvency will not relieve **us** of **our** obligations under this Policy.

L. Representations

By accepting this Policy, the **First Named Insured** agrees that:

1. The statements in the Declarations and/or Applications are accurate and complete;
2. Those statements are based upon representations made to **us** by **you**; and
3. **We** have issued this Policy in reliance upon **your** representations.

M. Subrogation

If an **Insured** has rights to recover all or part of any payment **we** have made under this Policy, those rights are transferred to **us**. An **Insured** shall do nothing to impair these rights after a loss. At **our** request, an **Insured** will bring **suit** or transfer those rights to **us** and fully cooperate with **us** with respect to enforcing them.

Any recoveries will be applied in accordance with the following priorities:

1. Any person or organization, including the **Insured**, that have paid an amount in excess of **our** payment under this policy will be reimbursed first;
2. **We** then will be reimbursed up to the amount **we** have paid; and
3. Lastly, any interests, including the **Insured**, over which **our** insurance is excess, are entitled to the residual.

N. Conformance To Statute

To the extent that this Policy conflicts with any law, statute, or regulation applicable to this Policy, this Policy shall conform to the minimum requirements of that law, statute, or regulation.

O. Transfer of **Your** Rights and Duties

Your rights and duties under this policy may not be transferred without **our** written consent.

If **you** die or are legally declared bankrupt, **your** rights and duties will be transferred to **your** legal representative but only while acting within the scope of duties as **your** legal representative. However, notice of cancellation sent to the **First Named Insured** designated in Item 1 of the Declarations and mailed to the address shown in this policy will be sufficient notice to effect cancellation of this policy.

P. Special Rights And Duties Of First Named Insured

It is agreed by all **Insureds** that the **First Named Insured** is authorized to act on behalf of all **Insureds** as to:

1. Giving and receiving notice of cancellation;
2. Payment of premiums and receipt of return premiums;
3. Acceptance of any endorsements to this Policy;
4. Purchasing or deciding not to purchase the Optional Extended Reporting Period Endorsement, if applicable; or
5. Making changes in this Policy or any coverage part with **our** consent.
6. Making representation with respect to the issuance by **us** of this Policy.

This Policy can only be changed by a written endorsement **we** issue and make a part of this Policy.

Q. Inspections And Surveys

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give the **First Named Insured** reports on the conditions **we** find; and
3. Recommend changes.

Any inspections, surveys, reports, or recommendations are related only to insurability and the premiums to be charged.

We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public.

We do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes, or standards.

This condition applies not only to **us**, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports, or recommendations.

R. Omnibus Reconciliation Act

We will comply with the requirements of section 952 of the Omnibus Reconciliation Act of 1980. Upon written request, the company will allow the secretary of health and human resources and the comptroller

general access to the policy and necessary books, documents and records to verify the cost of the policy, to the extent required by law. Access will also be allowed to subcontract between the Company and any affiliated organization of the Company and to its books, documents and records. Such access will be provided up to four years after the services furnished under this policy end.

S. Titles Of Paragraphs

Titles of paragraphs are inserted solely for convenience of reference and shall not be deemed to limit, expand or otherwise affect the provisions to which they relate.

T. Service Of Suit

In the event of **our** failure to pay any amount claimed to be due hereunder, **we**, at **your** request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of **our** rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts 02110-2103 or his or her representative, and that in any suit instituted against **us** upon this Policy, **we** will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, **we** hereby designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successors in office, as our true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by **you** or on **your** behalf or any beneficiary hereunder arising out of this Policy of insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

IV. CANCELLATION/NON-RENEWAL

A. When We Do Not Renew

If **we** decide not to renew this Policy, **we** will mail or deliver to the **First Named Insured** at the address designated in the Declarations written notice of the non-renewal not less than thirty (30) days before the expiration date. If such notice is mailed, proof of mailing will be sufficient proof of notice. If **we** mail or deliver the notice less than thirty (30) days before the expiration, **we** will extend the **policy period** so that the expiration date will be thirty (30) days after **we** mail or deliver the notice. **You** will be charged a pro rata additional premium for such extension. Such extension shall be subject to the remaining Limits of Insurance of this Policy and there shall not be a reinstatement of the Aggregate Limits. **You** can terminate the extension at any time, but not retroactively.

B. Cancellation

This Policy may be canceled by the **First Named Insured** by surrendering it to **us** or any of **our** authorized representatives or by mailing to **us** written notice stating when thereafter the cancellation shall be effective.

We may cancel this Policy by mailing or delivering a written notice of cancellation to the **First Named Insured** at the address shown in this Policy stating when, not less than 30 days thereafter, cancellation will be effective. However, if **we** cancel this Policy because the **First Named Insured** has failed to pay a premium when due, this Policy may be canceled by **us** by mailing or delivering a written notice of cancellation to the **First Named Insured** at the address shown in this Policy stating when, not less than 10 days thereafter, such cancellation will be effective. The mailing of notice as aforesaid shall be sufficient proof of notice.

The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **policy period**. Delivery of such written notice either by the **First Named Insured** or by **us** shall be the equivalent to mailing. If the **First Named Insured** cancels, the unearned premium shall be computed in accordance with the customary short rate table and procedure. If **we** cancel, unearned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

By signing below, the President and the secretary of the Insurer agree on behalf of the Insurer to all the terms of the Policy.

Andrew N. Holland

SECRETARY

PHH

PRESIDENT

This policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the policy.

AUTHORIZED REPRESENTATIVE