

**MEDICAL GROUP COVERAGE
GENERAL POLICY PROVISIONS AND CONDITIONS
APPLICABLE TO ALL COVERAGE PARTS**

NOTICE: 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. **Administrative Entity** means any entity or body empowered to conduct an **administrative proceeding** against any **Insured** regarding licensure status, clinical privileges, medical staff membership, and status as a provider under any managed care contract.
- B. **Administrative Proceeding** means a proceeding, investigation, licensure or privileging hearing commenced by:
 - 1. the U.S. Department of Health and Human Services to determine whether an **Insured Physician** violated the Emergency Medical Treatment and Labor Act of the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA");
 - 2. a State Medical Board, state licensing authority, or one of its divisions, resulting from a **medical incident**;
 - 3. a State Department of Consumer Affairs, or one of its divisions, resulting from a **medical incident**;
or
 - 4. a licensed hospital or its hospital based peer review or quality assurance committee, resulting from a **medical incident**.
- C. **Administrative Proceeding Defense Costs** means reasonable and necessary fees and expenses charged by an attorney in the defense or appeal of an **administrative proceeding**.
- D. **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.
- E. **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**.
- F. **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**.
- G. **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.

H. **Claim** means:

1. A written demand against an **Insured** for monetary damages, including a **suit**.
2. With respect to MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS CLAIMS MADE COVERAGE PART, written notice of an **administrative proceeding**.
3. Written notice to **us** regarding a **medical incident, managed care incident, or occurrence** which may reasonably be expected to give rise to a written demand against an **Insured** for monetary damages.

I. **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**.

J. **Employee** means a person paid by **you** in connection with **your** business. It includes a **leased worker** or **temporary worker**.

K. **Executive Officer** means a person holding any of the officer positions created by **your** charter, constitution, by-laws or any other similar governing document.

L. **First Named Insured** means the Named Insured designated in Item 1. of the Declarations attached to this policy.

M. **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**.

N. **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.

O. **Insured Physician** means an employed physician or contract physician who has a written contract or written agreement with **you** which requires:

1. **You** to provide professional liability insurance for the benefit of such physician; and
2. Such physician to perform **professional services** for **your** direct benefit;

but such physician is only an **Insured Physician** while acting within the scope of his/her employment for **you** or as otherwise specifically stated in the WHO IS AN INSURED section of the applicable Coverage Part.

P. **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**.

Q. **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**.

R. **Locum Tenens** means a physician, surgeon or other healthcare professional who is temporarily serving as a relief or substitute physician, surgeon or healthcare professional for an **Insured Physician** or **Insured** healthcare professional.

S. **Medical Incident** means any act, error or omission in the providing of or failure to provide **professional services** to any one **patient**.

All damages arising from any act, error or omission in the providing of or failure to provide **professional services** to a woman and/or her unborn child or children during the course of a pregnancy (including pre-natal, delivery and post-natal care) will be deemed to be a single **medical incident**.

T. **Managed Care Incident** means an act, error, or omission arising out of rendering of **managed care professional services**.

U. **Managed Care Professional Services** shall mean:

1. **credentialing**, which shall mean the evaluation, selection or deselecting of any health care providers;
2. **utilization review**, which shall mean the process of evaluating medical services or conducting case management for purposes of determining whether payment or coverage for such medical services will be authorized or paid for under any health care plan, whether prospective, concurrent or retrospective; and
3. **health care management**, which shall mean quality assurance, disease and demand management, peer review, **claims** processing and adjusting, enrollment, marketing and advertising services, educational and promotional services and triage counseling services.

V. **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.

W. **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.

X. **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.

Y. **Permanently disabled** means that the **Insured Physician** has become so disabled, as a result of injury or disease, as to be prevented from performing work or engaging in the clinical practice of medicine.

Z. **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**.

AA. **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.

BB. **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.

CC. **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.

DD. **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. Services by any person as a member of any committee of any licensed hospital or other healthcare facility, professional medical association or society or of a legally constituted professional standards review organization when at **your** request.
4. Supervising, teaching, proctoring others at **your** request.

EE. **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.

FF. **Retire** means the complete and permanent withdrawal from the practice of medicine.

GG. **Suit** means a civil action in which damages are alleged because of an **occurrence, claim, medical incident, managed care 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.

HH. **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.

II. **Vicarious Liability** shall mean liability imposed upon an **Insured** under theories of agency, ostensible agency, apparent agency or respondeat superior as a result of the performance or non-performance of **professional services** by a contracted health care provider.

JJ. **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.

KK. **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

The following is applicable to the MEDICAL GROUP PROFESSIONAL LIABILITY COVERAGE PART,

MEDICAL GROUP GENERAL LIABILITY COVERAGE PART and the MEDICAL GROUP MANAGED CARE COVERAGE PART:

- 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, managed care 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, and appoint an attorney to defend any **suit** as **we** deem expedient. However, **we** will not settle any **claim** or **suit** without the consent of the designated representative of the **First Named Insured**. Such consent shall not be unreasonably withheld.
- B. As respects the MEDICAL GROUP PROFESSIONAL LIABILITY COVERAGE PART and the MEDICAL GROUP GENERAL LIABILITY COVERAGE PART the following are in addition to the Limits of Insurance but included in the Policy Aggregate applicable to this policy; and

As respects the MEDICAL GROUP MANAGED CARE COVERAGE PART the following are included in the Limits of Insurance and the Policy Aggregate applicable to the 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 MEDICAL GROUP 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. EXCLUSIONS, S. 2. b. (Contractual Liability) of the MEDICAL GROUP 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-judgment interest.

The following is applicable to the MEDICAL GROUP ADMINISTRATIVE PROCEEDING COVERAGE PART:

We do not have the duty to defend. **You** shall select attorneys as **you** deem appropriate. **We** have no obligation to select any attorney. **We** will reimburse **you** for **administrative proceeding expense**.

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, Managed Care Incident or Occurrence

Knowledge of a **medical incident, managed care incident, or occurrence** on the part of the risk management department or on the part of an **Executive Officer**, medical director or administrator constitutes knowledge by the **First Named Insured**.

E. Coverage Territory

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

If coverage for a **claim** or **suit** under this policy is in violation of any of the United States of America's economic or trade sanctions, laws, or regulations, including, but not limited to, sanctions, laws, and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), then coverage for that **claim** or **suit** shall be null and void.

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, medical incidents, or managed care 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. Insured Physician Requirements

Within thirty (30) days after each policy expiration date **you** agree to provide **us** the name, specialty, and full time equivalent status of all employed and contracted physicians who are to be insured during this **policy period**. This paragraph is not applicable if all **Insured Physicians** are listed by an endorsement attached to this policy.

H. 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.

I. Other Insurance

The insurance provided under each Coverage Part shall be excess over other valid insurance, whether collectable or not, and whether provided on a primary, excess, contingent or any other basis, unless such other insurance is written specifically to be excess over such Coverage Part.

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. Your Agreement to Settle Claims Through Binding Arbitration

If **you** sign any agreement to submit **claims** against **you** to binding arbitration, this policy will not provide coverage for such **claims** unless: (1) **you** have notified **us**, as soon as practicable, that such **claim** is subject to binding arbitration, and (2) **we** have agreed, in writing, to the method of binding arbitration set forth in the agreement between **you** and any claimant. **We** will provide coverage for **claims** submitted to binding arbitration by reason of such agreement only if such **claims** are otherwise covered by the applicable Insuring Agreement under this policy.

O. 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.

P. 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.

Q. 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. Requesting Optional Extended Reporting Period Endorsement for **Insured Physicians**.
6. Making changes in this policy or any coverage part with **our** consent.
7. Making representations 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.

R. 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.

S. 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.

T. 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.

U. 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 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.

V. Arbitration

Notwithstanding Condition 16. Service of Suit, above, in the event of a disagreement as to the interpretation of this policy (except with regard to whether this policy is void or voidable), it is mutually agreed that such dispute shall be submitted to binding arbitration before a panel of three (3) Arbitrators consisting of two (2) party-nominated (non-impartial) Arbitrators and a third (impartial) Arbitrator (hereinafter "umpire") as the sole and exclusive remedy.

The party desiring arbitration of a dispute shall notify the other party, said notice including the name, address and occupation of the Arbitrator nominated by the demanding party. The other party shall, within 30 days following receipt of the demand, notify in writing the demanding party of the name, address and occupation of the Arbitrator nominated by it. The two (2) arbitrators so selected shall, within 30 days of the appointment of the second Arbitrator, select an umpire. If the Arbitrators are unable to agree upon an umpire, the selection of the umpire shall be submitted to the Judicial Arbitration and Mediation Services (hereinafter, "JAMS"). The umpire shall be selected in accordance with Rule 15 (as may be amended from time to time) of the JAMS Comprehensive Arbitration Rules and Procedures for the selection of a sole arbitrator.

The parties shall submit their cases to the panel by written and oral evidence at a hearing time and place selected by the umpire. Said hearings shall be held within 30 days of the selection of the umpire. The panel shall be relieved of all judicial formality, shall not be obligated to adhere to the strict rules of law or of evidence, shall seek to enforce the intent of the parties hereto and may refer to, but are not limited to, relevant legal principles. The decision of at least two (2) of the three (3) panel members shall be binding and final and not subject to appeal except for grounds of fraud and gross misconduct by the Arbitrators. The award will be issued within 30 days of the close of the hearings. Each party shall bear expenses of its designated Arbitrator and shall jointly and equally share with the other the expense of the umpire and the arbitration.

The arbitration proceeding shall take place in the vicinity of the **First Named Insured's** mailing address as shown in the Declarations or such other place as may be mutually agreed by the **First Named Insured** and **us**. The procedural rules applicable to this arbitration shall, except as provided otherwise herein, be in accordance with the JAMS Comprehensive Arbitration Rules and Procedures.

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.

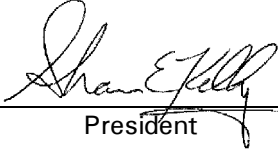
We may cancel this policy by mailing or delivering a written notice of cancellation to the **First Named Insured** at the address shown in this policy stating when, not less than thirty (30) days thereafter, cancellation will be effective. However, if **we** cancel this policy because the **First Named 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 ten (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 this Policy.



Secretary



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