

**MEDICAL GROUP PROFESSIONAL LIABILITY  
CLAIMS MADE COVERAGE PART**

**NOTICE: 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**

**Medical Group Professional Liability**

**We** will pay those sums that an **Insured** becomes legally obligated to pay others as damages resulting from a **medical incident** arising out of **professional services**. 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**, which means the **First Named Insured** and any other Named Insured.
- B. A partnership or joint venture, but only if the partnership or joint venture is specifically listed as a Named Insured. The partnership's partners or joint venture's members are also **Insureds**, but only with respect to the conduct of **your** business. No person or organization is an **Insured** with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations
- C. A limited liability company, 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.
- D. 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**.
- E. **Your Insured Physicians**.
- F. **Your employees**, other than **your Insured Physicians**, 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 **Insured Physician** or any of **your** other employed or contracted healthcare providers for the providing of **professional services** as a Good Samaritan away from **your** premises in sudden and unforeseen emergencies outside the scope of his or her patient care duties for **you**, provided that, no remuneration is demanded, expected or received.
- H. Members of **your** boards and committees, but only for conduct arising out of their duties as board or committee members.

- I. Any **Insured Physician** while acting 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 at **your** request.
- J. Any **locum tenens** healthcare professional engaged to act on **your** behalf as a replacement while an **Insured** or and **Insured Physician** is temporarily absent from professional practice, for not more than ninety (90) days total during any one **policy period** and only while acting within the scope of their employment by **you**.
- K. 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.
- L. 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.
- M. **Your** superintendents, administrators, directors, department heads, medical directors and heads of the medical staff, but only in their capacity as such.
- N. **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/Pending and Prior Litigation

- 1. Acts, errors or omissions of which **your** Risk Manager, **Executive Officer**, Medical Director, or Administrator had knowledge prior to the inception date of the **policy period**, if, as of such date, such aforementioned person could reasonably foresee a **claim** might result. For the purposes of this subsection, if this policy is a renewal policy with **us** the inception date is that of the earliest preceding policy for which **we** have continuously provided the same coverage as provided by this policy.
- 2. As respects any **Insured**, any litigation, arbitration, or administrative or regulatory proceeding pending prior to the retroactive date of such **Insured**.

#### B. Contractual Liability

Any liability **you** assume under any contract or agreement.

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, I. 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.

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. War

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

J. 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.

K. 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.

L. 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.

M. 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.

N. 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.

O. 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.

P. Expected Or Intended Injury

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

Q. Other Coverage Parts

Any **claims** or **suits** brought under any Coverage Part of this policy other than this MEDICAL GROUP PROFESSIONAL LIABILITY CLAIMS MADE COVERAGE PART.

R. **Insured vs. Insured**

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

This exclusion does not apply to:

1. Services by any person as a member of **your** formal accreditation, standards review or similar professional board or committee otherwise covered by this policy; or
2. **Medical incidents** involving **your employees**, students, volunteers or others that are considered within the policy definition of **Insureds** when they are registered as **patients** or when they are not acting within the scope of their duties for **you**.

S. Penalties

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

T. Violation of Statutes

Any **claims** arising from violation of any statute, ordinance, rule or regulation.

U. Current or Past Partnerships or Joint Ventures

Arising out of any current or past partnership or joint venture not named as an **Insured** in this policy.

**IV. LIMITS OF INSURANCE**

The Limits of Insurance shown in Item 5(a) of the Declarations apply as follows:

- A. The Limit of Insurance stated for each **medical incident** is the most **we** will pay for damages under Section I. INSURING AGREEMENT - MEDICAL GROUP PROFESSIONAL LIABILITY for a single **medical incident** regardless of the number of **claims** made or **suits** brought; or persons or organizations making **claims** or bringing **suits**. This limit shall apply separately:

1. To each **Insured Physician** as stated in Section II. WHO IS AN INSURED, E. and G. through J.;

however any **locum tenens** and the **Insured Physician** for whom the **locum tenens** is substituting will share the same Limit of Insurance; and

2. To all Named Insureds and all additional **Insureds** collectively, other than **Insured Physicians**. This limit applies regardless of the number of **Insureds** who are covered under this policy.
- B. The Limit of Insurance stated for the **medical incident** aggregate is the most **we** will pay for damages under Section I. INSURING AGREEMENT - MEDICAL GROUP PROFESSIONAL LIABILITY for each **policy period**. This limit shall apply separately:
1. To each **Insured Physician** as stated in Section II. WHO IS AN INSURED, E. and G. through J., however any **locum tenens** and the **Insured Physician** for whom the **locum tenens** is substituting will share the same Limit of Insurance;
  2. To all Named Insureds and all additional **Insureds** collectively, other than **Insured Physicians**. This limit applies regardless of the number of **Insureds** who are covered under this policy.
- C. The Limit of Insurance shown in Item 5.(e) on the Declarations for the Policy Aggregate Limit is the most **we** will pay for all damages under this policy.
- D. Subject to paragraph A., B, and C. above, all **claims** arising from one **medical incident** or a series of related **medical incidents** to any one **patient** shall be deemed to be a single **medical incident** 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 regardless of the number of **Insureds** against whom such **claims** are made.
- B. The Deductible Aggregate shown 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 **we** cancel or non renew this Coverage Part 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 such 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.
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.

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 this 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 Optional Extended Reporting Period Endorsement can not 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 Optional Extended Reporting Period Endorsement is excess over any other valid and collectible insurance that begins or continues in effect after the Optional 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.
6. An Optional Extended Reporting Period Endorsement for an **Insured Physician** is applicable in the event of Death, Disability or Retirement with the following terms and conditions:
  - a. An Optional Extended Reporting Period Endorsement will be issued to the **Insured Physician** or to his or her estate at no charge if the **Insured Physician** dies or becomes **permanently disabled** during the **policy period**. The **First Named Insured** or the **Insured Physician's** estate must, within sixty (60) days after the end of this **policy period**, write to tell **us** the coverage is desired. **We** also require:

- i. Written proof of the **Insured Physician's** death; or
  - ii. Written proof of the **Insured Physician's permanent disability**, including the date it happened, certified by his or her attending physician. The **Insured Physician** must agree to submit to medical examination(s) by any physician(s) **we** designate if requested.
- b. If the **Insured Physician retires** during the **policy period**, **we** shall offer the **Insured Physician** an Optional Extended Reporting Period Endorsement at the current rate in effect when the Optional Extended Reporting Period Endorsement is requested.
  - c. The Limits of Insurance under this policy at the time of termination, death, disability or retirement will be the Limits of Insurance applying to the Optional Extended Reporting Period.
  - d. Any aggregate Limits of Insurance applicable to this policy do not increase or reinstate for the Optional Extended Reporting Period.

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**.