



**HEALTHCARE LIABILITY POLICY
COMMON CONDITIONS**

Throughout this policy the words "you" and "your" refer to the Named Insured shown in Item 1 of the Declarations and any other person qualifying as a Named Insured under the terms of this policy. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under the Who Is An Insured section of each "Coverage Form".

Other words and phrases that appear in quotation marks have special meaning. Refer to Section XX - Definitions.

Section		Page
I	Terms and Conditions	2
II	Your Duties As the First Named Insured on the Declarations	2
III	Assistance and Cooperation	2
IV	Inspections and Surveys	2
V	Examination of Your Books and Records	2
VI	Changes	2
VII	Transfer of Interest	2
VIII	Entire Contract	2
IX	Concealment, Misrepresentation and Fraud	3
X	Other Insurance or Risk Transfer Arrangements	3
XI	Insurance Under More than One Coverage Forms	3
XII	Transfer Of Rights Of Recovery	3
XIII	Legal Action Limitation	3
XIV	Premium	3
XV	Cancellation and Non-renewal	3
XVI	Territory	3
XVII	Headings	4
XVIII	Subsidiaries	4
XIX	Changes/Mergers/Acquisitions	4
XX	Definitions	4
XXI	Extended Reporting Period	4
XXII	Economic and Trade Sanctions	5

I. Terms and Conditions

The terms and conditions of each "Coverage Form" apply only to that "Coverage Form" and shall not apply to any other "Coverage Form". If any provision in these Common Conditions is inconsistent or in conflict with the terms and conditions of any "Coverage Form", the terms and conditions of such "Coverage Form" shall control for purposes of that "Coverage Form".

II. Your Duties As The First Named Insured On the Declarations

When there is more than one of you named in this policy, the first of you named, on behalf of all others, will be:

1. authorized to make changes in the terms of this policy with our consent;
2. the payee of any premiums we refund;
3. responsible for:
 - a. the payment of all premiums due;
 - b. keeping records of the information we need for premium computation, and sending us copies at such times as we may request;
 - c. notifying us that you want to cancel this policy.

III. Assistance and Cooperation

If there is a "claim" or "circumstance", the Insured must:

1. forward to us or to our designee, copies of the papers and documents, if any, which inform the Insured of a "claim", including all notices, summonses or other processes regarding legal proceedings;
2. fully cooperate with us or our designee in all investigations, the making of settlements, the conduct of suits or other proceedings, enforcing any right of contribution or indemnity against another who may be liable to the Insured because of the "claim". The Insured shall attend hearings and trials, assist in securing and giving evidence, and obtaining the attendance of witnesses;
3. refuse, except at the Insured's own cost to voluntarily make any payment, assume any obligation or incur any expense other than reasonable medical expenses incurred at the time of the event.

IV. Inspections and Surveys

We have the right but are not obligated to:

1. make inspections and surveys at any time;
2. give you reports on the conditions we find;
3. recommend changes; or
4. conduct loss control and prevention activity.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged. We do not:

1. make safety inspections;
2. undertake to perform the duty of any entity to provide for the health or safety of workers or the public; nor
3. warrant that conditions:
 - a. are safe or healthful; or
 - b. comply with laws, regulations, codes or standards.

This provision applies not only to us, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, recommendations, reports, or gives loss control or prevention advice, on our behalf.

V. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to 3 years afterward.

VI. Changes

Notice to any of our agents or knowledge possessed by any such agent or any other person shall not act as a waiver or change in any part of this policy. It also will not prevent us from asserting any rights under the provisions of this policy. None of the provisions of this policy will be waived, changed or modified except by written endorsement issued to form a part of this policy.

VII. Transfer of Interest

Assignment of interest under this policy shall not bind us unless our consent is endorsed hereon.

VIII. Entire Contract

By acceptance of this Policy, the Insureds agree that this Policy, consisting of these Common Conditions, the "Coverage Forms",

and all endorsements listed in the Declarations, constitute the entire contract existing between them and us relating to this insurance.

IX. Concealment, Misrepresentation and Fraud

No concealment, misrepresentation or fraud shall avoid or defeat recovery under this Policy unless such concealment, misrepresentation or fraud was material. Concealment, misrepresentation or fraud in the procurement of this Policy which if known by us would have led to refusal by us to make this contract or provide coverage will be deemed material.

X. Other Insurance or Risk Transfer Arrangements

Any "claim" or "circumstance" insured under any other insurance policy or risk transfer instrument, including, but not limited to, self-insured retentions, deductibles or other alternative arrangements, which applies to this "claim" or "circumstance", shall be paid first by those instruments, policies or other arrangements. It is the intent of this policy to apply only to loss that is more than the total limit of all deductibles, retentions, limits of insurance, self-insured amounts or other valid and collectible insurance or risk transfer arrangements, whether primary, contributory, excess, contingent, or otherwise. In no event will we pay more than our limit of insurance.

These provisions do not apply to other insurance policies or risk transfer arrangements written as specific excess insurance over the limits of insurance of the policy.

XI. Insurance Under More Than One Coverage

If more than one of this policy's "Coverage Forms" applies to the same "claim" or "circumstance", we will not pay more than the limit of insurance of the "Coverage Form" most applicable to the type of "claim" or "circumstance" which shall be determined at our sole discretion.

XII. Transfer Of Rights Of Recovery

If any Insured for whom we make payment under this policy has rights to recover amounts from another, those rights are transferred to us to the extent of our payment. The Insured must do everything necessary to secure our rights and must do nothing after a "claim" or "circumstance" to impair them.

XIII. Legal Action Limitation

G-144102-A (ed. 09/03)

No Insured may bring any legal action against us concerning this policy until:

1. the Insured has fully complied with all the provisions of this policy; and
2. the amount of the Insured's obligation to pay has been decided. Such amount can be set by judgment against the Insured after actual trial or by written agreement between the Insured, the claimant and us.

Any entity, or its legal representative, is entitled to recover under this policy after it has secured a judgment or written agreement. Recovery is limited to the extent of the insurance afforded by this policy. No entity has any right under this policy to include us in any action against the Insured to determine their liability, nor will the Insured or the Insured's representative bring us into such an action. If the Insured or the Insured's estate becomes bankrupt or insolvent, it does not change any of our obligations under this policy.

XIV. Premium

All premium charges under this policy will be computed according to our rules and rating plans that apply at the inception of the current policy period. They may be paid to our authorized representative or us.

We compute the premium you pay for this policy using information available prior to the effective date of the policy. On some policies we charge a fixed amount with no adjustment later. On auditable policies, all or part of your premium may be based on estimates. The deposit premium for auditable policies is shown on an Audit Endorsement and is due on the inception date of the policy.

On auditable policies, we compute your actual premium when complete information is available after the end of the policy period. If it is more than you have already paid, you owe us the difference. If it is less, we shall pay you back the difference. But you will not pay less than any minimum annual premium agreed upon.

You must keep accurate records of the information we will need to compute your premium. You agree to send us these records at the end of each policy period, or any other time we request them.

XV. Cancellation and Non-renewal

The Cancellation/Nonrenewal provisions are as set forth in the Cancellation/Nonrenewal Endorsement attached to this Policy.

XVI. Territory

This policy applies worldwide provided that the "claim" is made and any legal proceedings are pursued within the United States of America, its territories, possessions, or commonwealths, Puerto Rico or Canada.

XVII. Headings

The description in the headings and subheadings of this policy is solely for convenience, and forms no part of the terms and conditions of coverage.

XVIII. Subsidiaries

With respect to any "subsidiary" on the date during the "Policy period", that your direct or indirect ownership interest in a "subsidiary" becomes less than 50%, of the issued and outstanding voting stock, such corporation shall cease to be a "subsidiary" under the terms of this Policy. In such event, coverage will be provided under the Policy but only with respect to any act, error or omission in the rendering of "professional services", or any "occurrence" or "personal or advertising injury", committed or allegedly committed prior to such date in accordance with all other terms and conditions of this Policy. No coverage will be afforded under the Policy with respect to any act, error or omission in the rendering of "professional services", or any "occurrence" or "personal or advertising injury", committed or allegedly committed on or subsequent to such date.

XIX Changes to your Business, Acquisitions and Mergers

1. The first of you named on the Declarations must provide prior notice to us of the following events:
 - a. material or significant changes to the type or volume of the "professional services" reported to us in your application.
 - b. your merger with another entity; or
 - c. the acquisition of all or substantially all of your assets by another entity;
2. Upon receipt of such notice, we may:
 - a. adjust the premium to reflect the added exposure; or

- b. solely with respect to items b and c, deem this Policy to have ceased with respect to "claims" made against the Insured based on any act, error or omission in the rendering of "professional services", or any "occurrence" or "personal or advertising injury", committed or allegedly committed on or subsequent to the time and date of said event. In such case, the "policy period" shall remain unaltered and coverage will continue but only with respect any act, error or omission in the rendering of "professional services", or any "occurrence" or "personal or advertising injury", committed or allegedly committed prior to the time and date of any such events in accordance with all other terms and conditions of this Policy.

XX. Definitions

For purposes of this Policy, words in "quotation marks" have the meaning set forth below. However, any word in quotations referenced in these Common Conditions but defined in a "Coverage Form" shall, for purposes of coverage under that "Coverage Form", have the meaning set forth in that "Coverage Form":

1. "Claim" as used in these Common Conditions has the same meaning as the word "claim", defined or undefined, in the applicable Coverage Form.
2. "Circumstance" has the meaning set forth in the Professional Liability Coverage Form.
3. "Extended Reporting Period" means the time after the termination date of the policy for reporting "claims" or "circumstances" due to an act, error or omissions in the rendering of "professional services". Such act, error or omission must happen on or after the retroactive date and before the end of the "policy period".
4. "Policy period" means the time from 12:01 A.M. on the effective date of this Policy as set forth in Item 2 of the Declarations to the earlier of 12:01 A.M. of the expiration, termination or cancellation date of this Policy.
5. "Subsidiary" means those of you, other than the first of you, listed on the Declarations at the inception of this Policy.

XXI Extended Reporting Period

1. Automatic Extended Reporting Period

With respect to any Coverage Part written on a claims made basis, we will provide you with an automatic, noncancelable "extended reporting period" starting at the termination of the "policy period" if you have not obtained replacement coverage, whether a policy or risk transfer instrument, including, but not limited to, self-insured retentions, deductibles or other alternative arrangements, within sixty (60) days of the termination of this Policy. This automatic "extended reporting period" will terminate after sixty (60) days.

2. Optional Extended Reporting Period

With respect to any Coverage Part written on a claims made basis, if you write to us within 60 days of the termination date telling us that you want a further extension, and pay any amounts owed to us promptly when due together with any earned but unpaid premium which may be due under the terminated policy, the period of time allowed by the policy for the reporting of "claims" or "circumstances" to us will be further extended in accordance with the rules, rates and rating plans in effect for us at the inception of the reporting period. Once paid, the premium for this option is non-refundable and considered fully earned.

3. It is understood and agreed that no "extended reporting period" shall be construed to be a new policy and any "claim" or "circumstance" submitted during an "extended reporting period" shall otherwise be governed by this Policy.
4. The optional "extended reporting period", if any, will run concurrently with the automatic "extended reporting period". If purchased, "extended reporting period" coverage may not be cancelled.
5. Such "extended reporting periods" as set forth in 1. or 2. shall not apply to "claims" or "circumstances" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the limit of insurance applicable to such "claims".

XXII Economic and Trade Sanctions

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any insured under this Policy, or any person or entity claiming the benefits of such insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any claim or suit that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such claim or suit is prohibited by U.S. economic or trade sanctions;
3. Any claim or suit that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;
4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

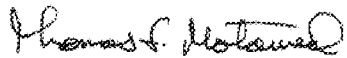
As used in this Policy, a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this Policy, a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

IN WITNESS WHEREOF, we have caused this Policy to be executed by our Chairperson and Secretary, but this Policy shall not be binding upon us unless completed by the attachment of the Certificate of Insurance and executed by our duly authorized representative.

Chairman

Secretary

Handwritten signature of Thomas F. Motamedi in cursive script.Handwritten signature of John M. Hester in cursive script.