



**PROFESSIONAL UNDERWRITERS  
LIABILITY INSURANCE COMPANY**

A TDC Company

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**Dentists Professional Liability Insurance Policy**

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Specimen



This is a Claims Made Policy

**IMPORTANT NOTICE**

**THIS POLICY PROVIDES COVERAGE ON A "CLAIMS MADE" BASIS: COVERAGE OF THIS INSURANCE WILL APPLY ONLY TO THE LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED, ARISING OUT OF INCIDENTS THAT OCCURRED ON OR AFTER THE RETROACTIVE DATE SHOWN ON THE DECLARATIONS OF THE POLICY, AND WHICH ARE REPORTED TO THE COMPANY DURING THE CLAIMS REPORTING PERIOD. PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE BROKER OR AGENT.**

INSURER: PROFESSIONAL UNDERWRITERS LIABILITY INSURANCE COMPANY

## **WHAT TO DO IN CASE OF AN INCIDENT, CLAIM OR SUIT**

In the event you become involved in any situation which you believe may result in a Dental Professional Liability Action, whether groundless or not, immediately report the details to the Claims Department at the offices of PROFESSIONAL UNDERWRITERS LIABILITY INSURANCE COMPANY.

To report the details of an Incident, Claim or Suit, please communicate by using the address, telephone number and/or FAX number listed below.

**Mailing Address:**

**PROFESSIONAL UNDERWRITERS LIABILITY INSURANCE COMPANY**  
1888 Century Park East  
Suite 850  
Los Angeles, California 90067-1737

Tel: (310) 492-4900  
Toll Free: (800) 537-7362  
FAX: (866) 344-6029

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Specimen

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**PROFESSIONAL UNDERWRITERS LIABILITY INSURANCE COMPANY**  
(hereinafter the "Company")  
HOME OFFICE - NAPA, CALIFORNIA

Agrees with the Named Insured in consideration of the payment of the premium and in reliance upon the statements in the application, which is made a part of the Policy, and subject to the Limits of Liability, Exclusions, Conditions and Other Terms of this Policy:

I. INSURING AGREEMENTS

A. DENTAL PROFESSIONAL LIABILITY - The Company will pay on behalf of the Insured, but not more than the Limits of Liability, all sums which the Insured shall become legally obligated to pay as Damages because of any Claim against the Insured for Injury because of an Incident involving Dental Professional Services if the Claim is first made during the Claims Reporting Period.

B. DEFENSE AND SETTLEMENT OF CLAIMS:

1. Subject to the Insured's compliance with the terms of this Policy and subject to the Limits of Liability as defined, and subject to the deductible provisions stated, the Company will defend any Claim against the Insured reported to the Company during the Claims Reporting Period, even if the allegations of the Claim are groundless, false or fraudulent.
2. The Company will select and retain defense counsel. Any counsel selected and retained by any Insured will be at the sole expense of such Insured.
3. The Insured will not, with respect to any Claim, make any payment, admit liability, settle Claims, assume any obligation, agree to arbitration of any dispute or incur expenses, without the prior written consent of the Company. Any such act without the prior written consent of the Company shall be at the sole expense of the Insured. Failure to comply with the Policy provisions or to cooperate with the Company in the investigation and settlement of a Claim shall be viewed as a lack of cooperation by the Insured and shall void the conditions and coverage of this Policy.
4. With respect to Part A, DENTAL PROFESSIONAL LIABILITY, the Company will, consistent with the Insured's duty to cooperate, secure from the Insured his prior written consent to a settlement (subject to the limitations described in Section I.B.5. below). If the Company recommends that a Claim be settled on the Insured's behalf and the Insured refuses to give written consent to settle, the Company may submit the dispute to a Dental Peer Review Committee selected by the Officers of the Company for determination. The Company shall notify the Insured of any such submission to a Dental Peer Review Committee, and the Insured shall have five (5) days thereafter to send to the Company any written objections the Insured shall have to settlement. The Company will then send the Insured's objections and other relevant material to the reviewers. The decision of a majority of the reviewers to authorize or reject the proposed settlement shall be final and binding on both the Insured and the Company.
5. Consent, whether written or oral, is not required and the Company may settle any Claim or Suit as it deems advisable under any of the following circumstances:
  1. The Insured is deceased;
  2. The Insured is adjudicated incompetent;
  3. Judgment on a Suit or Claim is entered;
  4. The Insured's License to practice dentistry is suspended, surrendered or revoked;
  5. A Claim is reported under the Insured's Extended Reporting Coverage; or
  6. The Insured, after due diligence by us, cannot be located.

6. If the Insured has other valid and collectable insurance available, the insurance afforded by this Policy shall be excess of all other valid and collectable insurance and shall not apply unless and until the Limits of Liability of such other insurance have been exhausted.

C. SUPPLEMENTARY PAYMENTS - The Company will pay, in addition to the applicable Limit of Liability:

1. EXPENSES - all expenses incurred by the Company, all costs assessed against the Insured in any Suit defended by the Company and, with respect to any judgment, all interest on the entire amount of such judgment which accrues after entry of the judgment and before the Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability; and
2. BONDS - premium on appeal bonds required in any Suit to which this Policy applies, and to furnish such appeal bonds as the Company deems appropriate to appeal such Suit up to the Company's Limit of Liability, but without any obligation to apply for or furnish a bond in excess of such Limit of Liability; and premiums on bonds to release attachments in any such Suit for an amount not in excess of the applicable Limit of Liability of the Company. The Company is under no obligation to appeal any verdict and any decision to appeal any verdict rests solely with the Company; and
3. ATTENDANCE AT TRIAL - reasonable per diem allowance for food, travel and lodging expenses incurred by the Insured at the Company's direction for attendance at a trial or arbitration; and the actual loss of earnings up to \$250.00 for each half day of attendance at such trial or arbitration at the request of the defense counsel.

D. SCHEDULE OF LIMITS OF LIABILITY:

1. The Limits of Liability for Dental Professional Liability are stated in the Declarations as "Each Claim" and "Aggregate".
2. The Limits of Liability for Prior Acts Coverage endorsed to the Policy are the Limits stated on the Declarations of the Policy in force at the time a Claim is made, unless the Limits of Liability of the prior medical professional liability policy were lower, in which event the lowest Limits of Liability apply.
3. Notwithstanding any other provisions of the Policy to the contrary, if an Extended Reporting Coverage Endorsement is obtained in accordance with the Extended Reporting Coverage provision, the Limits of Liability remaining at the end of the policy period will apply. The Extended Reporting Coverage Endorsement will not increase or reinstate the Limits of Liability provided by this policy nor will it extend the policy period.

II. PERIOD OF COVERAGE

This Policy applies only to Dental Professional Services rendered or which should have been rendered on or after the Retroactive Date (or Prior Acts Coverage Date if a Prior Acts Coverage Endorsement has been issued) stated in the Declarations and then only if a Claim is first reported during the Claims Reporting Period. The Company shall not have any obligation under the above INSURING AGREEMENTS for Claims reported against an Insured during the Claims Reporting Period based on Incidents which occurred prior to the Retroactive Date (or Prior Acts Coverage Date if a Prior Acts Coverage Endorsement has been issued) stated in the Declarations or after the Claims Reporting Period.

### III. PERSONS INSURED

Each of the following is an Insured under this Policy to the extent set forth below:

- A. Named Insured Dentist;
- B. If the Named Insured Dentist practices his profession as the sole shareholder of a Dental Corporation which employs no other dentist, physician or surgeon, the Dental Corporation and any other officer or director with respect to the acts or omissions of the Named Insured;
- C. Named Insured Entity, which includes individual members, shareholders, officers or directors of the Entity, but only with respect to their status as a member, shareholder, officer or director but not for their individual direct or indirect acts or omissions;
- D. Employee (*other than a dentist, physician, anesthetist or anesthesiologist*) of the Named Insured while acting within the scope of his or her duties on your behalf;
- E. Any dentist while employed by the Named Insured Dentist and temporarily serving as a locum tenens for a period not to exceed ninety (90) days in any Policy Period, provided that such dentist has made application to the Company and the Company has given its prior written acceptance of the Insured's request for locum tenens coverage.

Furthermore, all Insured's share with each other one Each Claim Limit of Liability and all Insured's share with each other one Aggregate Limit of Liability.

### IV. TERRITORY

This insurance applies only to Dental Professional Services performed in the United States of America and Claims brought within the United States of America.

### V. LIMIT OF LIABILITY

- A. The Each Claim Limit of Liability stated on the Declarations or the applicable endorsement in effect at the time a Claim is first reported to the Company is the maximum amount the Company will pay for a Claim.
- B. For the purpose of determining the Company's Each Claim Limit of Liability the following provisions apply:
  - 1. All legal liability arising from the dental treatment of a patient, regardless of the nature or the number of causes of action alleged, and/or the nature of the Dental Professional Services rendered or which should have been rendered, and/or the number of patient visits, and/or the treatment period, and/or regardless of the number of claimants, will be considered to be a single Claim and only one Each Claim Limit of Liability applies;
  - 2. Two or more causes of action arising from the same act or omission to act, or the same series of acts or omissions to act, in rendering or failing to render Dental Professional Services to one person will be considered to be a single Claim and only one Each Claim Limit of Liability applies;
  - 3. Two or more causes of action arising from the same act or omission to act, or from the same series of acts or omissions to act, in rendering or failing to render Dental Professional Services to a woman during the course of pregnancy will be considered to be a single Claim and only one Each Claim Limit of Liability applies;



4. All legal liability arising from the dental treatment of a patient, regardless of the number of conditions or diagnoses involving that patient, will be considered as arising from one act of rendering or failing to render Dental Professional Services regardless of the number of treatments and/or the treatment period, and will be considered to be a single Claim and only one Each Claim Limit of Liability applies;
  5. Even if Dental Professional Services are rendered over a treatment period which begins prior to the effective date of this policy, only one Each Claim Limit of Liability applies;
  6. The Each Claim Limit of Liability is subject to the Aggregate Limit of Liability. Once the Aggregate Limit of Liability is exhausted in any one policy period, then the Each Claim Limit of Liability does not apply.
- C. The Limit of Liability stated in the Declarations as Aggregate is, subject to the provisions of Parts A and B respecting Each Claim, the total limit of the Company's liability for loss from all Claims reported during any one Policy Period.
- D. For all Claims subject to Extended Reporting Coverage, the Limits of Liability remaining at the end of the Policy Period will apply. The Extended Reporting Coverage Endorsement will neither increase nor reinstate the Limits of Liability nor extend the policy period.

## VI. EXCLUSIONS

- A. **NO DEFENSE OR INDEMNIFICATION** - Unless otherwise indicated on the Declarations or indicated on an endorsement to your policy, the Company will neither defend nor indemnify the Insured for any of the following:
1. Any Claim based upon or arising from the same act or omission to act, or the same series of acts or omissions to act, in the rendering or failing to render Dental Professional Services which prior to the Retroactive Date of this policy period has been the subject of notice to the Company or which has been the subject of notice or should have been the subject of notice to another insurer of: (a) Claim; (b) threat of Claim; (c) dental incident which may give rise to a Claim under any policy of which this insurance is a renewal, or replacement, or which it may succeed in time.
  2. **PROPRIETORS** - liability of the Insured as a proprietor, superintendent, administrative or executive officer or dental director of any hospital, sanitarium, clinic with bed and board facilities, laboratory or business enterprise;
  3. **EMPLOYED DENTISTS OR DOCTORS** - any Injury from the acts or omissions of any employed dentist or doctor unless written notice of the new employment of such dentist or doctor is given the Company prior to the date employment begins and the Company has issued its acceptance of such application;
  4. **ASSUMED LIABILITY/CONTRACT(S)**
    - a. any Claim which results from your assumption of legal liability under a written or oral contract or agreement, unless the Company has agreed in writing to provide coverage under your Policy for such assumed liability including, but not limited to, hold harmless and indemnification agreements.
    - b. any Claim based upon contract(s) or alleged contract(s).
  5. **CRIMINAL ACT** - any judgment or final adjudication based upon or arising out of any dishonest, deliberately fraudulent, criminal, or maliciously or deliberately wrongful acts committed by or at the direction of, or ratified by, any Insured;

6. INTOXICANTS/NARCOTICS - any Claim arising from Dental Professional Services rendered while the Insured is under the influence of intoxicants or narcotics or any Claim arising from Dental Professional Services which should have been rendered but which were not rendered because the Insured was under the influence of intoxicants or narcotics;
7. PUNITIVE DAMAGES - any sums demanded or awarded as punitive or exemplary damages;
8. SEX ACT - any Claim arising out of any sexual act or acts including but not limited to undue familiarity, molestation, assault, battery or harassment, whether or not such conduct is under the guise of Dental Professional Services performed or alleged to have been performed by an Insured or an employee or agent of the Insured;
9. DISCRIMINATION - any Claim based upon or arising out of discrimination of any kind by the Insured, including but not limited to discrimination on the basis of race, creed, national origin, age or sex;
10. BUSINESS DISPUTES - any Claim made against the Insured by a present, former or prospective partner, officer, director, stockholder-employee or employee of the Insured or by the Insured against each other persons unless such Claim arises out of Dental Professional Services rendered or which should have been rendered by an Insured;
11. GUARANTEED RESULTS - guaranteeing of the results of the Insured's service;
12. ADVERTISING - any Claim arising out of advertising, broadcasting or telecasting activities by or for the Insured;
13. FALSE ARREST - Injury sustained by any person or organization arising out of false arrest, detention or imprisonment, malicious prosecution, libel, slander, discrimination, defamation of character, invasion of privacy, wrongful eviction or wrongful entry;
14. ANTITRUST - any Claim arising out of an Insured's interference with contract, statements or acts which violate state and/or federal antitrust laws, interference with prospective advantage, unfair competition, unfair trade and business practices, conspiracy to do any unlawful or tortuous act, abuse of process, slander and libel, even if such activities are related to the rendering of or failure to render Dental Professional Services;
15. WORKERS' COMPENSATION - any obligation for which the Insured may be held liable under Workers' Compensation, Unemployment Compensation, Disability Benefits or any similar law;
16. GOODS OR PRODUCTS - any goods or products developed, manufactured, assembled, sold, handled or distributed by the Insured or others trading under the Insured's name or with the Insured's permission;
17. DIRECTORS AND OFFICERS - any Claim (except as otherwise covered under Section III, PERSONS INSURED) arising from the Insured's status as a director, officer, shareholder, trustee, employee, or representative of a corporation or unincorporated association; or as a partner, representative, associate or joint venturer with another person or Entity;
18. WRONGFUL TERMINATION - any Claim based on an allegation of wrongful termination of an employee or any person who provides services incidental to the Insured's professional practice;

19. PROCEDURES -

This Policy does not apply to Incidents/Claims or Suits arising from:

- a. any procedure rendered which is outside of the scope of the specialty shown on the Declaration's Page (unless added by Endorsement);
- b. the use or practice of acupuncture;
- c. the use, administration, or prescription of any drug, injection, pharmaceutical or medical device not yet having received final approval by the FDA for the treatment of human beings or which is not an FDA approved study;

20. CIVIL RIGHTS VIOLATION - any Claim or Suit based upon alleged violation of civil rights, including but not limited to the deprivation of any rights, privileges or immunities secured by the United States Constitution and laws.

21. LICENSE SANCTIONS -

Any Claim which results from any act, or omission to act, arising from your rendering or failing to render Dental Professional Services which takes place while your license to practice dentistry is under suspension or has been restricted, revoked, surrendered, or otherwise terminated, or any act of dispensing or prescribing controlled substances while your license or registration to dispense such substances is under suspension or has been restricted, revoked, surrendered, or otherwise terminated.

Such coverage as is provided by the Policy shall apply to Claims which result from any act, or omission to act, arising from your rendering or failing to render Dental Professional Services while you are on probation, provided that the probation has been reported to the Company, in writing, and such Dental Professional Services are performed in full compliance with the limitations, terms, and restrictions of the probation order.

Further, such coverage as is provided by the Policy shall apply to Claims arising from your prescribing, administering, dispensing, or ordering of controlled substances while you are on probation, provided that the probation has been reported to the Company, in writing, and such Dental Professional Services are performed in full compliance with the limitations, terms, and restrictions of the probation order and the DEA permit issued under that order.

No indemnity is provided and no defense is afforded under this Policy for damages arising out of any action taken by any state licensing agency.

VII. DEDUCTIBLE PROVISIONS

The following provisions apply to the deductible amount shown in the Declarations:

The deductible amount shown in the Declarations applies to each Claim and includes all Defense Fees and Supplementary Payments and any indemnity payments made under the Policy as Damages. All or part of such deductible as the Company requests shall be immediately remitted by the Insured at the initiation of any Claim or Suit or the happening of any Incident that may, in the judgment of the Company, give rise to a Claim or Suit. If the combined Claim or Suit payment and Defense Fees and Supplementary Payments are less than the amount received from the Insured pursuant to these provisions, such remainder shall be returned to the Insured. Failure of the Insured to remit the amount of the deductible requested within thirty (30) days after such request shall, at the option of the Company, nullify and terminate the application of the insurance with respect to such Claim, Suit or Incident and with respect to any subsequent Claim, Suit or Incident to which this Policy would otherwise apply. The Company may at its sole option pay any part or all of the deductible amount in the investigation, defense, negotiation or settlement of any Claim, Suit or Incident, and upon notification of the action taken, the Insured shall promptly reimburse the Company for such part of the deductible amount that has not been previously remitted. In the event that the insured does not promptly remit the deductible demanded, then any cost incurred by the Company in collection of the deductible shall be added to and applied in addition to the applicable deductible amount without limitation to such costs. These costs shall include, but not be limited to, collection agency fees, attorney's fees and interest.

VIII. EXTENDED REPORTING COVERAGE (Option To Purchase An Extended Reporting Coverage Endorsement, i.e., Tail Coverage)

In the event of a cancellation or nonrenewal, or dissolution of the Entity, the Insured shall have the option to extend the Claims Reporting Period of the Policy to apply to Claims reported against the Insured during either the sixty (60) months or one hundred twenty (120) months immediately following the effective date of such cancellation or nonrenewal, provided:

- A. Cancellation or nonrenewal does not result from the Insured's non-payment of earned premium and/or deductible or other noncompliance with the terms and conditions of the Policy; and
- B. Notice of intent to exercise the option to purchase Extended Reporting Coverage is given to the Company by the Insured within thirty (30) days of cancellation or nonrenewal and the full premium for the Extended Reporting Coverage and all other sums due the Company are paid in full within the thirty day (30) period. The premium for Extended Reporting Coverage shall be calculated at the applicable percentage of the full premium of the Policy stated in the Declarations and will be deemed fully earned when paid. If the Insured terminates this coverage for any reason, the Company will not be liable for the return of any portion of that premium. The Extended Reporting Coverage applies only to acts or omissions committed after the Retroactive Date (or Prior Acts Coverage Date if a Prior Acts Coverage Endorsement has been issued) and prior to the effective date of cancellation or nonrenewal while the Policy was in full force and effect.

IX. POLICY CONDITIONS

A. DEFINITIONS:

When used in this Policy:

- 1. "Claim" means both the receipt by the Insured of written notice received from the injured party or a representative of the injured party and a written notice filed by the Insured and received by the Company that alleges Damages to an injured party from an Incident, provided the Incident occurred during and is received by the Company during the Claims Reporting Period; the Company requires that the written notice contain a description of specific events, the nature of the possible Injury, and the alleged error or omission;
- 2. "Claims Reporting Period" means the period from the Retroactive Date of the Policy at 12:01 a.m. to the date of cancellation or nonrenewal of this Policy at 12:01 a.m. in accordance with Part B, POLICY PERIOD: AUDITS: CANCELLATION: NONRENEWALS or pursuant to the terms and conditions of any Extending Reporting Coverage;
- 3. "Conscious Sedation" means a minimally depressed level of consciousness that retains the patient's ability to independently and continuously maintain an airway and respond appropriately to physical stimulation and verbal command, produced by a pharmacologic or non-pharmacologic method, or a combination thereof;
- 4. "Damages" includes Damages for death and for care and loss of services resulting from Injury. "Damages" as used does not include any sums demanded or awarded as fines, statutory penalties, punitive or exemplary damages, the restitution of consideration and expenses paid to the Insured for services or goods or judgments or awards arising from acts or omissions deemed uninsurable by law;
- 5. "Declarations" means the document which validates the Policy. It shows the name and address of the Insured, Policy Number, Policy Period, Retroactive Date, Specialty, Limits of Liability and Premium at the time when the Company issues the Declarations and the Policy becomes effective;
- 6. "Defense Fees" means all fees, cost and expenses resulting from the investigation, adjustment, defense and appeal of a Claim, which are incurred by or on behalf of defense counsel retained by the Company or by or on behalf of a defense counsel retained by an Insured with the prior written consent of the Company;

7. "Dental Corporation" means a professional corporation organized under the General Corporation Law of the State in which it is incorporated and entitled to practice dentistry under the Business and Professions Codes of that State;
8. "Dental Professional Services" means services rendered by dentists in the practice of the professional specialty designated in the Declarations;
9. "Endorsement" means the document which modifies the coverage provisions set forth in the Policy. If the terms of any Endorsement are inconsistent with the terms of this Policy, the terms of the Endorsement supersede the Policy;
10. "Entity" means a dental corporation with more than one dentist, shareholder, unincorporated association of dentists, or a dental partnership, which is organized and licensed under state laws pertaining to professional corporations or partnerships;
11. "General Anesthesia" (including deep sedation) means a controlled state of a depressed consciousness or unconsciousness, accompanied by partial or complete loss of protective reflexes, including inability to independently maintain an airway and respond purposefully to physical stimulation or verbal command, produced by a pharmacologic or non-pharmacologic method, or a combination thereof;
12. "Incident" means any act or omission which is part of the performance of Dental Professional Services;
13. "Injury" means Bodily Injury, sickness or disease sustained by any person;
14. "Insured" means any person or organization qualifying as an Insured in the "Persons Insured" Section of this Policy;
15. "Local Anesthesia" means the injection of non-toxic doses of local anesthetics into skin, subcutaneous tissue or muscle with the intent of rendering a small area insensitive to pain;
16. "Nitrous Oxide Analgesia" means the administration of inhaled nitrous oxide by mask in safe concentrations which would allow patients to tolerate unpleasant procedures while maintaining adequate cardio-vascular function and airway protective reflexes;
17. "Oral Conscious Sedation" means the administration of sedatives and analgesics by mouth in doses that allow patients to maintain adequate cardio-respiratory function, airway protective reflexes and the ability to respond purposefully to verbal commands;
18. "Retroactive Date" stated on the Declarations Page, or subsequent endorsement, is the first day of your Claims Reporting Period;
19. "Sedation" includes but is not limited to the calming of an individual by use of systemic drugs;
20. "Suit" includes (1) a counterclaim or cross-claim; and (2) an arbitration to which the Insured is required to submit or to which the Insured has submitted with the Company's consent.

**B. POLICY PERIOD: PREMIUM: AUDITS: CANCELLATION: NONRENEWAL**

1. **POLICY PERIOD** - The initial Policy Period of this Policy is stated in the Declarations forming a part of the Policy. This Policy Period may be extended for successive one-year periods by payment of the required renewal premium, and any other amounts required as a condition to such renewal, to the Company on or before the effective date of each successive period. If such payments are not paid on or before the beginning of such successive period, this Policy shall automatically terminate at the end of the Policy Period stated in the Declarations, or the last preceding Policy Period for which such payments were made. Nothing in this paragraph shall affect the right of the company to cancel this Policy in accordance with the cancellation provisions below.

2. PREMIUM - All premiums and other charges for this Policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to the Insurance afforded and in effect with respect to the period for which premiums are due.

All premiums and other charges for this Policy are payable in advance to the Company or its authorized representative. The first payment is due at inception of the Policy. Each renewal payment is due on or before the inception of the Renewal Policy. Any payment not paid on or before its due date will be in default. If any such payment remains in default, coverage under this policy will end.

3. AUDITS - The Company may examine and audit the Named Insured's books and records at any time during the Policy Period or within three (3) years after cancellation or nonrenewal of the Policy, as far as they relate to the subject matter of this Insurance.
4. CANCELLATION - The Named Insured may cancel this Policy by surrender to the Company, or any of its authorized agents, or by mailing to the company, written notice stating when the cancellation shall be effective. The non-payment of premium shall be deemed cancellation by the Insured. The Company may cancel this Policy by mailing by certified mail to the Named Insured at his latest address shown on Company records, written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective. In the event of nonpayment of premium, written notice of cancellation will be mailed no less than ten (10) days in advance of such cancellation. The mailing of notice shall be sufficient proof of notice to all Insureds and all other parties with an insurable interest. The time of 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 Named Insured or by the Company shall be equivalent to mailing.
5. NONRENEWAL - The Company may nonrenew this Policy by mailing by certified mail to the Named Insured at his latest address shown on Company records written notice of such nonrenewal. If the Company nonrenews this Policy, notice of nonrenewal shall be mailed not less than forty-five (45) days in advance of the expiration of the Policy period. The mailing of notice shall be sufficient proof of notice to all Insureds and all other parties with an insurable interest.

C. CLAIMS AND DUTY TO COOPERATE:

1. INCIDENT REPORT - Upon the happening of any Incident reasonably likely to involve this insurance, written notice containing information sufficient to identify the Insured, time, place and circumstances of the event, and the names and addresses of the injured and of available witnesses must be given by or for the Insured to the Company as soon as practicable.
2. NOTICE OF CLAIM OR SUIT - If a Claim or Suit based on an Incident covered by this Policy is initiated against the Insured, the Insured shall deliver to the Company, Professional Underwriters Liability Insurance Company, 1888 Century Park East, Suite 850, Los Angeles, California 90067-1737, by certified mail, fax or overnight mail, every demand, notice of intent to sue, summons, complaint, and/or other documents the Insured or the Insured's representative receives relating to a Claim made against the Insured, within ten (10) days of receipt but no later than the cancellation or nonrenewal date of the Policy.
3. COOPERATION - The Insured shall cooperate with the Company and, upon the Company's request, assist in making settlements in the conduct of Suits and other proceedings; and obtaining the attendance of witnesses. The Insured shall not, with respect to a Claim, voluntarily make any payment or assume any obligation without the written consent of the Company. Failure to comply with the Policy provisions or to cooperate with the Company in the investigation and settlement of a Claim shall be viewed as a lack of cooperation by the Insured and shall void the conditions and coverage of this Policy.

D. GENERAL CONDITIONS:

1. ABIDE BY TERMS - Insured specifically agrees to abide by the terms and conditions of the Policy and by all rules and regulations of the Company relating to the conduct of the Insured's dental practice.
2. ACTION AGAINST THE COMPANY - No action shall lie against the Company unless there shall have been full compliance with all of the terms of this Policy, nor until the amount of the Insured's obligation to pay shall have been fully determined either by judgment against the Insured after actual trial and appeal, if appropriate, or by written agreement of the Insured, the claimant and the Company.
3. DISPUTES - All disputes between the Company and any Insured shall be resolved through arbitration in accordance with the rules of the American Arbitration Association. All arbitration's shall be conducted in Los Angeles, California. The prevailing party in the arbitration shall not be entitled to recoupment of any attorney fees. All Insureds hereby waive any claim against the Company for extra-contractual damages and hereby agree that no extra-contractual damages are assignable to others. The arbitrator shall have no power to award extra-contractual damages against the Company.
4. FALSE AND FRAUDULENT CLAIMS - If any Insured shall commit fraud in submitting any Claim, this insurance shall become void as to such Insured from the date such fraudulent Claim is submitted.
5. APPLICATION REPRESENTATION - Insured represents that he has made true, correct and full answers to all questions presented to him upon the application of insurance coverage and agrees to provide the Company with full and correct answers to any other questions related to his competence or financial ability as shall be reasonably presented to him by the Company. Material misrepresentation will void this insurance and, at the Company's option, may result in the immediate rescission of the policy and the complete loss of coverage.
6. BREACH OF POLICY - Breach by the Insured of any of the conditions of this Policy shall subject the Insured to cancellation at the instance of the Company and upon thirty (30) days notice.
7. CHANGE OF ADDRESS - Insured will keep the Company apprised of his current addresses, both business and residential, and will report any changes of address within ten (10) days.
8. CHANGES - Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or bar the Company from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by Endorsement issued to form a part of this Policy by an authorized representative of the Company.
9. ASSIGNMENT - Assignment of interest under this Policy shall not bind the Company until its consent is endorsed; if, however, the Named Insured shall die, such insurance as is afforded by this Policy shall apply to the Named Insured's legal representative as the Named Insured, but only while acting within the scope of his duties as such.
10. OTHER INSURANCE - It is agreed that in the event of there being specific or other insurance prior or subsequent in date, directly or indirectly covering or insuring the risk insured, then all such other insurance shall first apply and this Policy shall not be considered as contributing with such other insurance, but shall pay only the difference between the amount recoverable under all such other insurance and the amount of any covered loss, not exceeding the Limits of Liability as set forth in the Declarations of the Policy.
11. SUBROGATION - In the event of any payment under this Policy, the Company shall be subrogated to all the Insured's rights of recovery against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after a loss to prejudice such rights.

12. NON-ASSESSABILITY - This Policy is non-assessable.
13. SPECIAL STATUTES - Any and all provisions of this Policy which are in conflict with statutes of the State where this Policy is issued are understood, declared and acclaimed by the Company to be amended to conform to such statutes.

IN WITNESS WHEREOF, the Company has caused this Policy to be signed by its Chairman of the Board and Secretary, but the same shall not be binding unless countersigned by a duly authorized representative of the Company on the Declarations.



**David B. Troxel, M.D.**  
**Secretary**



**Richard E. Anderson, M.D.**  
**Chairman of the Board**

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Specimen

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