A NON-ASSESSABLE CLAIMS-MADE POLICY

A PROFESSIONAL LIABILITY POLICY FOR PHYSICIANS AND SURGEONS

FROM THE DOCTORS' COMPANY An Interinsurance Exchange

DEFINED TERMS, WITH THE EXCEPTION OF THE TERM "YOU", ARE PRINTED IN ITALIC TYPE FOR YOUR CONVENIENCE.

CHARLES A. O'BRIEN
Secretary

RICHARD E. ANDERSON, M.D.
Chairman of the Board

NOTICE

PLEASE REVIEW THIS POLICY CAREFULLY

THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY ONLY FOR THOSE *CLAIMS* THAT:

A) ARISE FROM INCIDENTS OR EVENTS WHICH HAPPEN WHILE THE POLICY IS IN FORCE AND WHICH INVOLVE YOUR *PROFESSIONAL SERVICES* OR THE USE OF YOUR *PROFESSIONAL OFFICE PREMISES,* AND

B) ARE FIRST MADE AGAINST YOU AND ARE REPORTED TO THE EXCHANGE WHILE THE POLICY IS IN FORCE.

PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR LEGAL OR INSURANCE ADVISOR.

1. ACCIDENT means an event which is not expected or intended and which results in *bodily injury* or *property damage* that is not expected or intended. Such *accident* must arise solely out of the ownership, maintenance, or use of your *professional office premises* and must occur while you have not vacated or abandoned the premises.

2. An ADDITIONAL INSURED is a person employed by the *Named Insured* or by an *Additional Named Insured.* Regardless of the number of employees insured as *Additional Insureds,* an *Additional Insured* does not have a separate *per-claim limit of liability* or a separate *annual aggregate limit of liability.*

3. An ADDITIONAL NAMED INSURED is a physician or Exchange-identified *paramedical person,* and is added to this policy by means of a Declarations Page. An *Additional Named Insured* has his/her own *per-claim limit of liability* and *annual aggregate limit of liability* stated on the Declarations Page. If the *Additional Named Insured* and his/her *entity* are listed on the Declarations Page as an *Additional Named Insured,* they share one *per-claim limit of liability* and one *annual aggregate limit of liability.*

4. The ANNUAL AGGREGATE LIMIT OF LIABILITY is as defined in Section II, Part 1 (C) and Section II, Part 2 (C).

5. A BILLING PERIOD is the period of time commencing with the effective date of your *policy period* and continuing in three consecutive calendar month increments of your *policy year.* (If you are an *Additional Named Insured* or *Additional Insured,* your *billing period* will coincide with that of the *Named Insured.)*

6. BODILY INJURY means: *bodily injury;* sickness; disease; disability; or death to an individual, other than the *Named Insured,* the employees of the *Named Insured, Additional Named Insureds,* or the employees of *Additional Named Insureds.*

7. CLAIM means the following:

   Professional Liability

   a. Written notice, demand, crossclaim, lawsuit, an arbitration proceeding or screening panel, which is first reported to the Exchange during the *policy period,* which asserts a demand for money or that you should reduce your bill, which alleges: injury; disability; sickness; disease; or death to a patient arising from your rendering or failing to render *professional services* subsequent to the *retroactive date;* or

   b. You or your legal representative's written notice to the Exchange, which is first reported during the *policy period,* that a demand, crossclaim, lawsuit, an arbitration proceeding or screening panel, which alleges: injury; disability; sickness; disease; or death to a patient arising from your rendering or failing to render *professional services* subsequent to the *retroactive date* may be made against you by the patient or the patient's legal representative; or

   Office Premises

   c. Written notice, demand, crossclaim, lawsuit, an arbitration proceeding or screening panel, which is first reported to the Exchange during the *policy period,* which alleges *bodily injury* or *property damage* arising from an *accident* on or in connection with the use of your *professional office premises* subsequent to the *retroactive date;* or

   d. Your or your legal representative's written notice to the Exchange, which is first reported during the *policy period,* that a notice, demand, crossclaim, lawsuit, an arbitration proceeding or screening panel, which alleges *bodily injury* or *property damage* arising from an *accident* subsequent to the *retroactive date* on or in connection with the use of your *professional office premises* may be made against you.

9. ENDORSEMENTS modify coverage provisions in the policy. The terms of any *endorsement* supersede the terms of the policy.

10. Each ENDORSEMENT EFFECTIVE DATE is stated on the Declarations Page and/or the *endorsement* itself, and is the first day on which terms of the *endorsement* apply to your policy. An *endorsement* takes effect at 12:01 a.m. on the *endorsement effective date.* If an exclusion is deleted from your policy by such *endorsement* then the terms of such exclusion will still govern your coverage at the time a *claim* is first reported to the Exchange if the exclusion was in effect at the time you rendered or failed to render *professional services* from which such *claim* arose.

11. An ENDORSEMENT PERIOD is the period of time commencing with the *endorsement effective date,* and every annual renewal thereof and continuing until the date of deletion of the *endorsement,* or the date of cancellation or nonrenewal of your policy. Your policy may have several *endorsement periods.*

12. ENTITY means the following:

    a. A medical corporation that is a professional corporation organized under the corporation laws of the state in which you practice medicine and which authorizes you to render *professional services* as a corporation; or

    b. A partnership organized under the partnership law of the state in which you practice medicine and which authorizes you to render *professional services* as a member of the partnership; or

    c. A form of business organization including, but not limited to, an association or an assumed business name, i.e., "doing business as" (d.b.a.), in which you practice medicine and render *professional services.*

13. EXTENDED REPORTING ENDORSEMENT is an *endorsement* which provides coverage for *claims* that arise from incidents or events that happen subsequent to the *retroactive date* but are reported after: the expiration; cancellation; or nonrenewal date of this policy.

14. A LOCUM TENENS is a physician or a *paramedical person* temporarily employed by and serving in the place of a *Named Insured,* an *Additional Named Insured* or an *Additional Insured.* In order to be insured under this policy, a *locum tenens* must have been approved for coverage by the Exchange.

16. A NAMED INSURED is a physician and/or an *entity* listed on the Declarations Page as the *Named Insured(s).* Regardless of the number of physicians and/or *entities* listed as the *Named Insured,* there is only one *per-claim limit of liability* and one *annual aggregate limit of liability* which applies to all *Named Insureds.*

17. A NON-OWNED PRIVATE PASSENGER AUTOMOBILE means a private passenger automobile not owned by, in whole or in part, registered in the name of, hired by, leased or loaned to you, or any partner, or officer of your *entity.*

18. OBSTETRICS shall be defined as the care and treatment of pregnancy including, but not limited to: prenatal and/or postnatal care; labor; delivery; cesarean section; and therapeutic abortions after the first trimester.

19. A PARAMEDICAL PERSON means a Nurse Practitioner (N.P.), Physician's Assistant (P.A.), Certified Nurse Midwife (C.N.M.), Paramedic, Certified Registered Nurse Anesthetist (C.R.N.A.), or other person identified by the Exchange as such.

20. The PER-ACCIDENT LIMIT OF LIABILITY is as defined in Section II, Part 2(C).

21. The PER-CLAIM LIMIT OF LIABILITY is as defined in Section II, Part 1(C) and Part 2(C).

22. A POLICY YEAR is the period of time: (1) commencing with the effective date of your *policy period* or any annual renewal thereof; (2) continuing for the next twelve (12) consecutive months; and (3) ending at 12:01 a.m. on the following anniversary of the effective date of your *policy period* (expiration date). *Additional Named Insureds* or *Additional Insureds* endorsed onto your policy are subject to the *policy year* of the *Named Insured* for purposes described in this section, as well as Section IV, Part 5 "Your Premium", and Part 11, "Cancellation or Nonrenewal."

23. POLICY PERIOD is the period of time described in the Declarations Page during which insurance coverage is provided to you. The *policy period* commences at 12:01 a.m. on the effective date on the Declarations Page most recently issued to you. It continues until 12:01 a.m. on the expiration date shown on that Declarations Page. Coverage may be cancelled or otherwise terminated before the end of the *policy period.* The *policy period* of an *Additional Named Insured* or *Additional Insured* endorsed to the policy subsequent to the effective date of the *policy period* of the *Named Insured* may be for a term of less than one (1) year and shall expire concurrently with the *policy period* of the *Named Insured.* Any *Additional Named Insured* or *Additional Insured* you may wish to endorse to the policy will be required to agree, in writing, that the term of the policy may be less than one year.

24. PROFESSIONAL OFFICE PREMISES means that portion of the building(s) you occupy in your practice as a physician or surgeon at the address stated on the Declarations Page or subsequent *endorsement.* This does not include any parking lots, sidewalks or public hallways or any premises which you have abandoned, or vacated.

25. PROFESSIONAL SERVICES means the rendering or failing to render of diagnosis, medical or surgical treatment, opinion, or advice.

destroyed, but only if such loss of use is caused by an *accident* during the *policy period.*

27. The RETROACTIVE DATE stated on your Declarations Page, or subsequent *endorsement,* is the first day on which coverage will be afforded by the Exchange for acts, omissions, events, *accidents* or incidents.

28. The TERRITORY in which you are covered under this policy for rendering or failing to render *professional services* is the state(s) in which you are licensed to practice AND in which you have stated on the Declarations Page or subsequent *endorsement* your *professional office premises* to be located.

29. YOU means any person or *entity* afforded coverage under this policy.

SECTION I.

INSURING AGREEMENTS

The following provisions describe the insurance coverages which are being provided to you subject to: the terms; conditions; exclusions; and limitations described throughout this policy.

The Doctors' Company, an Interinsurance Exchange (The Exchange), agrees to provide you, during the *policy period,* claims-made professional liability insurance as set forth below in Paragraphs A and B, in consideration of your payment of premium and in reliance upon your warranty of the truth and correctness of the statements in your application for insurance, any renewal applications, and any other documents you submit to the Exchange for purposes of obtaining, retaining, or modifying this insurance.

A. WHAT THE EXCHANGE WILL PAY

The Exchange will pay, on your behalf, all sums which you become legally obligated to pay for a *claim* but excluding any legal liability for punitive or exemplary damages or statutory or other fines. The Exchange's obligation to pay under this Paragraph A is subject to the *per-claim limit of liability,* the *annual aggregate limit of liability,* exclusions, limitations, the Declarations Page, *endorsements,* deductibles, and all the terms of this policy, but only if all four of the requirements below are met:

1. the *claim* is first reported to the Exchange during the *policy period;* and

2. the *claim* arises from your rendering or failing to render *professional services* subsequent to the *retroactive date* in the *territory* as stated on the Declarations Page; and

3. the *claim* and the *professional services* are within the coverage of your policy and not excluded by it; and

4. any amount paid on your behalf does not exceed the *per-claim limit of liability* and the *annual aggregate limit of liability* applicable to you.

B. WHAT THE EXCHANGE WILL DEFEND

The Exchange will defend *claims* against you arising from your rendering or failing to render *professional services.* The Exchange's obligation to defend under this Paragraph B is subject to the *annual aggregate limit of liability,* exclusions, limitations, Declarations Page, *endorsements,* deductibles, and all the terms of this policy; but only if all four of the requirements below are met:

1. the *claim* is first reported to the Exchange during the *policy period;* and

2. the *claim* arises from your rendering or failing to render *professional services* subsequent to the *retroactive date* in the *territory* as stated on the Declarations Page; and

3. the *claim* and the *professional services* are within the coverage of your policy and not excluded by it; and

4. the *annual aggregate limit of liability* applicable to you is not exhausted for the *policy year* during which the *claim* is first reported to the Exchange.

   If your *annual aggregate limit of liability* is exhausted for any one *policy year* by the Exchange's payment of judgments, awards, or settlements as to *claims* first reported to the Exchange during that *policy year,* the Exchange will have no obligation to defend any *claim* reported where litigation is instituted after the limits are exhausted.

The Exchange will not be liable for the cost of legal services of any attorney you select unless the Exchange gives you prior written consent.

The Exchange may investigate and, subject to your written consent, settle any *claim* reported to it.

C. LIMITS OF LIABILITY

Two limits of liability apply to the amount the Exchange will pay on your behalf under Section II Part 1 of this policy: (A) the *per-claim limit of liability;* and (B) the *annual aggregate limit of liability.*

The *per-claim limit of liability* is subject to the *annual aggregate limit of liability.* Once the *annual aggregate limit of liability* is exhausted for any one *policy year,* then the *per-claim limit of liability* does not apply.

1. THE PER-CLAIM LIMIT

The *per-claim limit of liability* stated on the Declarations Page or the applicable *endorsement* in effect at the time a *claim* is first reported to the Exchange is the maximum amount the Exchange will pay for a *claim.*

For the purpose of determining the Exchange's *per-claim limit of liability,* regardless of the nature or number of causes of action alleged and/or regardless of the number of claimants, the following provisions apply:

1. 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 *professional services* to one person will be considered to be a single *claim;*

2. 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 *professional services* to a woman and her unborn child or children, during the course of pregnancy (including pre-natal care, delivery and post-natal care) will be considered to be a single *claim;*

3. All legal liability resulting from substantially the same general conditions will be considered as arising from one act of rendering or failing to render *professional services* regardless of the treatment period and will be considered to be one *claim.*

The *annual aggregate limit of liability* stated on the Declarations Page, or the applicable *endorsement* in effect at the time a *claim* is first reported to the Exchange, is the maximum amount the Exchange will pay for all *claims* first reported to the Exchange during any one *policy year*. There is only one *annual aggregate limit of liability* per *policy year*.

3. THE LIMITS OF LIABILITY APPLICABLE TO YOU

As a person or *entity*, you are insured under this Section II, Part 1, and have a *per-claim limit of liability* and *annual aggregate limit of liability* to the extent set forth below.

a. If you are a physician and are shown on the Declarations Page as the *Named Insured*, you have one *per-claim limit of liability* and one *annual aggregate limit of liability* as stated on the Declarations Page.

b. If you are a physician and you and your *entity* are shown on the Declarations Page as the *Named Insured*, you and your *entity* share one *per-claim limit of liability* and one *annual aggregate limit of liability* as stated on the Declarations page.

c. If you are an *entity* and are shown on the Declarations Page as the *Named Insured*, you have one *per-claim limit of liability* and one *annual aggregate limit of liability* as stated on the Declarations Page. Your *per-claim limit of liability* and your *annual aggregate limit of liability* as an *entity* in this situation are shared with all *Additional Insureds*. Your limits of liability are not available as added or supplemental coverage for any other insured under this policy.

d. If you are a physician and are shown on the Declarations Page as an *Additional Named Insured* you have one *per-claim limit of liability* and one *annual aggregate limit of liability* as stated on the applicable Declarations Page or *endorsement*. Your limits of liability are not available as added or supplemental coverage for any other insured under this policy.

e. If you are a physician and you and your *entity* are shown on the Declarations Page as an *Additional Named Insured*, you have one *per-claim limit of liability* and one *annual aggregate limit of liability* as stated on the applicable Declarations Page or *endorsement*. Your limits of liability are not available as added or supplemental coverage for any other insured under this policy.

f. If you are an Exchange-identified *paramedical person* and are shown on the Declarations Page as an *Additional Named Insured*, you have one *per-claim limit of liability* and one *annual aggregate limit of liability* as stated on the Declarations Page or *endorsement*. Your limits of liability are not available as added or supplemental coverage for any other insured under this policy. If you are an Exchange-identified *paramedical person* and are shown as an *Additional Insured* on the Declarations Page you share limits with the *Named Insured*, all other *Additional Insureds* and all Exchange-approved *locum tenens* employed by the *Named Insured* the *per claim limit of liability* and the *annual aggregate limit of liability* of the *Named Insured* stated on the Declarations Page or applicable *endorsement*.

other *Additional Insureds* and all Exchange-approved *locum tenens* employed by that *Named Insured* or *Additional Named Insured*, the *per-claim limit of liability* and the *annual aggregate limit of liability* of that *Named Insured* or *Additional Named Insured* as stated on the Declarations Page or the applicable *endorsement*. An *Additional Insured* is covered only while acting within the course and scope of employment by the *Named Insured* or by the *Additional Named Insured*.

h. A *locum-tenens* (either a physician or *paramedical person)*, shares with the *Named Insured* or the *Additional Named Insured*, for whom he or she is temporarily serving, that *Named Insured's* or *Additional Named Insured's per-claim limit of liability* and *annual aggregate limit of liability* as stated on either the Declarations Page or the applicable *endorsement*.

D. CLAIM EXPENSES

Subject to the deductible provision in Paragraph E below, and subject to the *annual aggregate limit of liability*, the Exchange's cost of defense and/or investigation of a *claim* is in addition to any amount it pays on your behalf as indemnification.

E. DEDUCTIBLES

If you have selected a deductible, or one has been imposed by the Exchange, then one or more of the provisions below may apply to you. Deductibles require you to pay the first portion of the loss and expenses subject to the terms outlined for the type of deductible.

If more than one deductible applies to a *claim*, the Involuntary Deductible will be applied first followed by the Voluntary Deductible and the Quota Share Deductible in that order. If any deductible is in effect at the time a *claim* is first reported to the Exchange then that deductible will apply to the *claim*.

1. INVOLUNTARY DEDUCTIBLE (EXCHANGE IMPOSED DEDUCTIBLE)

If an Involuntary Deductible amount is shown on your Declarations Page or subsequent *endorsement*, then:

You agree to pay the Exchange all amounts paid by the Exchange for each *claim* within the coverage of your policy reported subsequent to the effective date of this deductible. Your obligation with respect to this deductible for each *claim* shall not exceed the amount of the deductible shown on the Declarations Page, or subsequent *endorsement*.

This deductible will be first applied to any *claims expenses* the Exchange pays in defense and/or investigation of a *claim*. The balance, if any, will be applied to indemnification.

You agree to pay each amount due within thirty (30) days of the date of the Exchange's written request for such payment. Failure to pay will result in loss of coverage.

2. VOLUNTARY DEDUCTIBLE

If a Voluntary Deductible amount is shown on your Declarations Page or subsequent *endorsement*, then:

You agree to pay the Exchange all amounts paid by the Exchange for each *claim* within the coverage of your policy reported subsequent to the effective date of this deductible. Your obligation with respect to this deductible for each *claim* shall not exceed the amount of the deductible shown on the Declarations Page, or subsequent *endorsement*, and the maximum amount you shall be obligated to pay for *claims* made during any one *policy year* shall not exceed three (3) times the amount of the deductible shown.

indemnification.

You agree to pay each amount due within thirty (30) days of the date of the Exchange's written request for such payment. Failure to pay will result in loss of coverage.

Once a voluntary deductible amount has been selected, it may not be increased, decreased, or deleted during the *policy year.*

Amendment To Consent To Settlement - Voluntary Deductible

You further agree that, despite the provisions of Section II, Part 1, B and F of your policy, the Exchange may settle a *claim* without obtaining your written consent. Section II, Part 1, F of your policy is amended in its entirety as follows:

If the Exchange recommends that a *claim* be settled on your behalf and you refuse to give your written consent to settle, the Exchange may submit the dispute to three members of its Claims Peer Review Committee for determination. The Exchange shall notify you of any such submission, and you shall have five days thereafter to send to the Exchange any written objections you may have to the recommended settlement. The Exchange will then send your objections and other relevant material to the peer reviewers. The decision of a majority of the peer reviewers to authorize or reject the proposed settlement shall be final and binding on both you and the Exchange.

3. QUOTA SHARE DEDUCTIBLE

If a Quota Share Deductible amount is shown on your Declarations Page, or subsequent *endorsement,* then:

You agree to pay to the Exchange the percentage of loss shown on the Declarations Page or subsequent *endorsement,* of all amounts paid by the Exchange for each *claim* within the coverage of your policy reported subsequent to the effective date of this deductible.

Your obligation with respect to this deductible shall not exceed the amount of the deductible shown on your Declarations Page or subsequent *endorsement,* for any one *claim.*

This deductible will be first applied to any *claims expenses* the Exchange pays in defense and/or investigation of a *claim.* The balance, if any, will be applied to indemnification.

You agree to pay each amount due under this *endorsement* within (30) days of the date of the Exchange's written request for such payment. Failure to pay will result in loss of coverage.

Once a Quota Share Deductible has been selected, it may not be increased, decreased or deleted during the *policy year.*

F. CONSENT TO SETTLE

1. YOUR CONSENT TO SETTLE A CLAIM

The Exchange will not settle any *claim* on your behalf under Section II, Part 1 of this policy without first obtaining your written consent unless you have selected a voluntary deductible (See Section II, Part 1 E 2).

The Exchange reserves the right to appeal any judgment rendered against you. However, the Exchange has no duty to appeal any judgment rendered against you.

The Doctors' Company, an Interinsurance Exchange (the Exchange), agrees to provide you during the *policy period,* limited claims-made *professional office premises* liability insurance as set forth below in paragraphs A and B, in consideration of your payment of premium and in reliance upon your warranty of truth and correctness of the statements in your application for insurance, any renewal applications, and any other documents you submit to the Exchange for purposes of obtaining, retaining or increasing this insurance.

A. WHAT THE EXCHANGE WILL PAY

The Exchange will pay, on your behalf, all sums which you become legally obligated to pay for a *claim* but excluding any legal liability for punitive or exemplary damages or statutory or other fines. The Exchange's obligation to pay under this Paragraph A is subject to the *per-claim limit of liability,* the *per-accident limit of liability,* the *annual aggregate limit of liability,* exclusions, limitations, the Declarations Page, *endorsements,* deductibles, and all the terms of this policy; but only if all four of the requirements below are met:

1. the *claim* is first reported to the Exchange during the *policy period;* and
2. the *claim* arises from an *accident* on or in connection with the use of your *professional office premises* during the *policy period* and results in *bodily injury* or *property damage;* and
3. the *claim* and the particular use of your *professional office premises* from which such *claim* arises are within the coverage of your policy and not excluded by it; and
4. any amount paid on your behalf does not exceed the *per-claim limit of liability,* the *per-accident limit of liability,* and the *annual aggregate limit of liability* applicable to you.

B. WHAT THE EXCHANGE WILL DEFEND

The Exchange will defend every *claim* against you arising from the use of your *professional office premises.* The Exchange's obligation to defend under this Paragraph B is subject to the *annual aggregate limit of liability,* exclusions, limitations, the Declarations Page, *endorsements,* deductibles, and all terms of this policy; but only if all four of the requirements below are met:

1. the *claim* is first reported to the Exchange during the *policy period;* and
2. the *claim* arises from an *accident* on or in connection with the use of your *professional office premises* during the *policy period* and results in *bodily injury* or *property damage;* and

such *claim* arises are within the coverage of your policy and not excluded by it; and

4. the *annual aggregate limit of liability* applicable to you is not exhausted for the *policy year* during which the *claim* is first reported to the Exchange.

   If your *annual aggregate limit of liability* is exhausted for any one *policy year* by the Exchange's payment of judgments, awards, or settlements as to *claims* first reported to the Exchange during that *policy year*, the Exchange will have no obligation to defend any *claim* reported where litigation is instituted after the limits are exhausted.

The Exchange will defend you even if the *claim* is groundless, false, or fraudulent unless the *annual aggregate limit of liability* is exhausted.

The Exchange will not be liable for the cost of legal services of any attorney you select unless the Exchange gives you prior written consent.

The Exchange will investigate, negotiate or settle any *claim* reported to it as it deems necessary. Your written consent is not required.

C. LIMITS OF LIABILITY

Three limits of liability apply to the amount the Exchange will pay on your behalf under Section II, Part 2 of this policy: (A) the *per-claim limit of liability;* (B) the *per-accident limit of liability;* and (C) the *annual aggregate limit of liability.*

The *per-claim limit of liability* and the *per-accident limit of liability* are subject to the *annual aggregate limit of liability.* Once the *annual aggregate limit of liability* is exhausted in any one *policy year,* then the *per-claim limit of liability* and the *per-accident limit of liability* do not apply.

1. THE PER-CLAIM LIMIT

The *per-claim limit of liability* for your *professional office premises* listed on your Declarations Page in effect at the time a *claim* is first reported to the Exchange is the maximum amount we will pay for a *claim* arising from an *accident* on or in connection with your *professional office premises* during the *policy period.*

For the purpose of determining the Exchange's *per-claim limit of liability* regardless of the nature or number of causes of action and/or regardless of the number of claimants, the following provisions apply:

a. Two or more causes of action arising from the same *accident* to one person will be considered to be a single *claim;*

b. Two or more causes of action arising from the same *accident* to a woman and her unborn child or children will be considered to be a single *claim.*

2. THE PER-ACCIDENT LIMIT

The *per-accident limit of liability* for your *professional office premises* listed on the Declarations Page in effect at the time a *claim* is first reported to the Exchange is the maximum amount we will pay for all *claims* arising from an *accident* on or in connection with the use of your *professional office premises* during the *policy period* regardless of the nature of the causes of action alleged and/or regardless of the number of claimants.

The *annual aggregate limit of liability* stated on the Declarations Page in effect at the time a *claim* is first reported to the Exchange is the maximum amount the Exchange will pay for all *claims* first reported to the Exchange during any one *policy year* during the *policy period*. There is only one *annual aggregate limit of liability*.

4. THE LIMITS OF LIABILITY APPLICABLE TO YOU

As a person or *entity*, you are insured under this Section II and have a *per-claim limit of liability*, a *per-accident limit of liability*, and an *annual aggregate limit of liability* to the extent set forth below:

a. If you are a physician and are listed on the Declarations page as the *Named Insured*, you have one *per-claim limit of liability*, one *per-accident limit of liability*, and one *annual aggregate limit of liability* as stated on the Declarations Page.

b. If you are a physician and you and your *entity* are listed on the Declarations Page as the *Named Insured*, you and your *entity* share one *per-claim limit of liability*, one *per-accident limit of liability*, and one *annual aggregate limit of liability* as stated on the Declarations Page.

c. If you are an *entity* and are listed on the Declarations Page as the *Named Insured*, you have one *per-claim limit of liability*, one *per-accident limit of liability*, and one *annual aggregate limit of liability* as stated on the Declarations Page.

D. CLAIMS EXPENSES

Subject to the *annual aggregate limit of liability* (see Section II, Part 1 C), the Exchange's cost of defense and/or investigation of a *claim* is in addition to any amount it pays on your behalf as indemnification.

PART 3. FIRE LEGAL LIABILITY COVERAGE

WHAT THE EXCHANGE WILL PAY

The Exchange agrees to pay, on your behalf, all sums which you become legally obligated to pay up to the per-claim *property damage* limit of liability, and subject to the *annual aggregate limit of liability*, for damage arising out of fire to structures or portions of structures that are occupied by, used by or rented to you, or are in your care, custody or control, or as to which you are exercising physical control.

The Exchange will not indemnify you for fire damage to structures or portions of structures that you own in whole or in part, or that are owned in whole or in part by any partner, or officer of your *entity*, or by your *entity*, itself.

WHAT THE EXCHANGE WILL PAY

The Exchange agrees to pay, on your behalf, all sums which you become legally obligated to pay arising out of the use by any person, other than you, yourself, of a *non-owned private passenger automobile* in your business, up to the following limits of liability and subject to the *annual aggregate limit of liability:*

Bodily Injury:	$100,000	per *claim*
	$300,000	per *accident*
Property Damage:	$ 25,000	per *accident*

PART 5. SUPPLEMENTARY PAYMENTS

You have the following additional benefits under your policy:

A. INTEREST ON JUDGMENTS

The Exchange will pay interest you are legally obligated to pay on any judgment against you, but it will pay interest only on that portion of the judgment which does not exceed your *per-claim limit of liability* and *annual aggregate limit of liability* or any interest accrued after an offer for settlement at your limit of liability has been made.

B. BONDS

If the Exchange decides to pursue it, the Exchange will pay the premiums on appeal bonds required or necessary to appeal any *claim,* but only to the extent of the premium for that portion of a judgment which does not exceed the Exchange's *per-claim limit of liability* and *annual aggregate limit of liability.*

The Exchange will also pay the premiums on bonds to release attachments in any *claim,* but only for that amount which does not exceed the Exchange's *per-claim limit of liability* and *annual aggregate limit of liability.*

C. YOUR EXPENSES

The Exchange will pay its established per diem allowance for travel, lodging, and food expenses that you incur at its direction for the purpose of assisting the Exchange to defend a *claim* against you. The Exchange will also pay a loss of earnings allowance at the then current Exchange Loss of Earnings Allowance Rate for each half-day you attend a trial and/or arbitration. A "half-day" is defined as a period of time up to three hours. There is a maximum amount for each *claim* that the Exchange will pay for the per diem allowance and for the loss of earnings allowance.

D. EMERGENCY MEDICAL CARE

Unless you are otherwise covered, the Exchange will defend and indemnify you subject to the *per-claim limit of liability* and the *annual aggregate limit of liability* applicable to you for any *claim* made against you for rendering, in good faith and without compensation or expectation of compensation, *professional services* in the event of a *medical emergency.*

E. PEER REVIEW

Unless you are otherwise covered, the Exchange will defend you for *claims* arising out of your activities on behalf of a hospital, nursing home or extended care facility in the performance of peer review. In addition, excess of any other coverage, the Exchange will indemnify you for the above actions subject to the *per-claim limit of liability* and the *annual aggregate limit of liability* applicable to you. Coverage is not provided for any activities not on behalf of a hospital, nursing home or extended care facility. Coverage is excluded for any legal liability for punitive or exemplary damages or statutory or other fines.

SECTION III
EXCLUSIONS

No insurance coverage is provided by the Exchange for the matters described in this section.

EXCLUSION LIMITATION

If an exclusion in Section III of this policy or an exclusion added to your policy by *endorsement* is deleted by the Exchange, then the terms of such exclusion will still govern your coverage at the time a *claim* is first reported to the Exchange if the exclusion was in effect at the time you rendered or failed to render *professional services* or at the time of the particular use of your *professional office premises* from which such *claim* arose.

PART 1. EXCLUSIONS APPLICABLE TO SECTION II, PART 1 - CLAIMS-MADE PROFESSIONAL LIABILITY COVERAGE

NO DEFENSE OR INDEMNIFICATION

Unless otherwise indicated on the Declarations Page or indicated on an *endorsement* to your policy, the Exchange will neither defend nor indemnify you for the following:

A. Any *claim* based upon or arising from essential facts underlying or alleged in any matter which prior to the inception date of this *policy period,* has been the subject of notice to the Exchange or another insurer of: (1) *claim;* (2) threat of *claim;* or (3) a medical 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.

B. PROCEDURES

Any *claim* which results from any of the following procedures:

1. administration of general anesthesia unless you are an anesthesiologist or certified registered nurse anesthetist;
2. use, administration, or prescription of any drug, pharmaceutical or medical device not yet having received final approval by the FDA for treatment of human beings or which is not an FDA approved study;
3. use, administration, or prescription of injection of silicone fluid;
4. use of chelation therapy in other than the treatment of heavy metal pathology;
5. use, administration, or prescription of laetrile (also known as Amygdalin and Vitamin B-17);
6. any procedure or surgery which is intended in any manner to affect obesity or weight control, including, but not limited to, the insertion of the gastric bubble or similar device; jejunoileal, jejunocolic, or ileocolic bypass procedure; and gastric restrictive surgery such as gastric stapling;
7. use, administration, or prescription of Human Chorionic Gonadotropin (HCG) in the treatment of obesity or weight control;
8. use, administration, or prescription of amphetamines in obesity or weight control;
9. use, administration, or prescription of injections of human secretions or excretions, for any purpose, except when FDA approved or when it is an FDA approved study;

10. sex change operations;

11. acupuncture for anesthesia;

12. the performance of *obstetrics* (see definition in Section I), except in a *medical emergency* unless specifically endorsed onto your policy;

13. attendance at, or supervision of, labor and/or delivery in any place other than a licensed acute care hospital or licensed birthing center, except in the case of a *medical emergency;*

14. any procedure, which at the time of performance, is in violation of any limitation clause included in the Declarations Page or any *endorsement* to your policy;

15. the use of any blood or blood by-product that has not been tested for AIDS pursuant to Federal Regulations except in a bonafide emergency;

16. radial keratotomy;

17. suction assisted lipectomy (lipolysis);

18. elective aesthetic or reconstructive plastic surgery.

NOTICE: ADDITIONAL PROCEDURES/ACTS MAY BE SPECIFICALLY EXCLUDED BY ENDORSEMENT

C. EMPLOYED PHYSICIANS AND SURGEONS

1. Any *claim,* whether made against you as the employer and/or against the employed physician or surgeon, which results from any act or omission to act of any such employed physician or surgeon in rendering, or failing to render, *professional services* unless that person is named on the Declarations Page or applicable *endorsement.*

2. Any *claim* which results from any act or omission to act of any employed physician or surgeon who is not acting within the course and scope of his or her duties.

D. EMPLOYED PARAMEDICAL PERSONS

1. Any *claim,* whether made against you as the employer and/or against the employed *paramedical person,* which results from any act or omission to act of any such employed *paramedical person* in rendering or failing to render *professional services* unless that person is named on the Declarations Page or applicable *endorsement.*

2. Any *claim* which results from any act or omission to act of any employed *paramedical person* who is not acting within the course and scope of his or her duties.

E. OTHER EMPLOYEES

Any *claim* which results from any act, or omission to act, of any employee, who is not acting within the course and scope of his or her duties as an employee of the *Named Insured(s)* or *Additional Named Insured(s).*

F. PRACTICE OUTSIDE TERRITORY AND PROFESSIONAL OFFICE PREMISES

Any *claim* which results from any act, or omission to act, in rendering or failing to render *professional services:* (1) if you do not maintain your office medical practice at your designated *professional office premises,* as stated on the Declarations Page; or (2) if you render *professional services* outside the *territory,* unless the Exchange gives you prior written permission to render *professional services* outside the *territory.* (See Section IV, Part 3, B and D.)

G. GOVERNMENT EMPLOYMENT

Any *claims* made against you arising out of your employment by the United States Government or any state, county, or other governmental or public *entity,* unless the Exchange gives you prior written permission for such practice.

H. PROPRIETORS

Any *claim* which results from your act or omission to act, as: an agent; employee; proprietor; owner; director; officer; or partner of any hospital, clinic, sanitarium, clinic with bed and board facilities, skilled nursing facility, convalescent hospital, laboratory, or any business enterprise.

I. ENTITIES

1. Any *claim* against the *entity* which results from the act or omission to act of any physician or *paramedical person* (except an independent contractor) in rendering or failing to render *professional services* on your behalf if that person is not insured individually under a policy with the Exchange. If this policy is cancelled or expired, extended reporting coverage must be in force either with the Exchange or with the current insurer (as prior acts coverage). Your *entity* limits of liability are not available as added or supplemental coverage for *Additional Named Insureds* (either physicians or *paramedical persons)* who each have his/her own *per-claim* and *annual aggregate limits of liability.* (See Section II, Part 1, C.)

2. Any *claim* against the *entity* resulting from an act or omission to act of any person in rendering or failing to render *professional services* if that person is not acting within the scope of his or her duties as an employee of such *entity.*

J. ASSUMED LIABILITY/CONTRACT(S)

1. Any *claim* which results from your assumption of legal liability under a written or oral contract or agreement, unless the Exchange has agreed in writing to provide coverage under your policy for such assumed liability including, but not limited to, hold harmless and indemnification agreements.

2. Any *claim* based upon contract(s) or alleged contract(s).

1. Any obligation for which you or any carrier as your insurer may be held liable: (I) under any worker's compensation, unemployment compensation or disability benefits law, or under any similar law; or (2) for any injury to, or sickness, disease, or death of any employee of yours arising from, and in the scope and course of, employment by you.

2. Any *claim* arising from the alleged wrongful discharge of any person or from discrimination by the insured on any basis including but not limited to: age; color; creed; marital status; national origin; physical handicap; political affiliation or persuasion; pregnancy; race; religious belief; sex or sexual orientation; or union membership; or

3. Any *claim* arising from sexual harassment;

4. Any *claim* arising out of the Employee Retirement Income Security Act.

L. LICENSE SANCTIONS

Any *claim* which results from any act, or omission to act, arising from your rendering or failing to render *professional services* which takes place while your license to practice medicine 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 *professional services* while you are on probation, provided that the probation has been reported to the Exchange, in writing, and such *professional services* are in 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 Exchange, in writing and such prescribing, administering, dispensing, or ordering is in compliance with the limitation, 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 action taken by any state licensing agency.

M. QUALITY ASSURANCE, UTILIZATION REVIEW, COMMITTEE AND DEPARTMENTAL ACTIVITIES

Any *claim* which results from any act, or omission to act, in connection with your utilization review or quality assurance activities or activities as department head or committee chairperson for the staff of any hospital, extended care facility, or nursing home. Any *claim* which results from any act or omission to act as an officer or committee member for any association, including but not limited to, any local, state, regional or national professional society or any local, state, regional or national specialty society or association or national professional medical society or association.

Your activities in connection with county or state medical societies or associations, including a specialty division within such society or association are not excluded. Your peer or claims review activities on behalf of the Exchange are also not excluded.

Any *claim* which results from any intentional acts, including but not limited to:

1. interference with contract, statements or acts by you which violate state and/or federal antitrust or deceptive advertising laws;
2. conversion;
3. interference with prospective advantage;
4. unfair competition;
5. unfair trade and business practices;
6. misappropriation of trade secrets;
7. conspiracy to do any unlawful or tortious act;
8. abuse of process;
9. slander and libel;
10. wrongful entry;
11. wrongful eviction;
12. any intentional or criminal acts not enumerated above, even if such activities are related to your rendering or failing to render *professional services.*

O. NON-MONETARY CLAIMS

Any *claim* that does not seek monetary damages.

P. FAILURE TO COMPLY WITH YOUR AFFIRMATIVE DUTIES

Any *claim* otherwise covered under this policy if you fail to comply with any of the Affirmative Duties listed in Section IV, Parts 2, 3 and 4 of this policy.

NO INDEMNIFICATION (DEFENSE ONLY)

Unless otherwise indicated on the Declarations Page or on an *endorsement* to your policy, the Exchange will defend, but not indemnify, you for the following:

Q. Any *claim* for punitive or exemplary damages, statutory fines or any other fines.

R. Any *claim* which results from: sexual intimacy; sexual molestation; sexual harassment; sexual exploitation; or sexual assault.

S. Any *claim* which results from any act or omission to act which takes place while you are under the influence of: alcohol; narcotics; hallucinogenic agents or which results from any other substance abuse.

T. Any *claim* which results from your guarantee of the results of your *professional services.*

A. NO DEFENSE OR INDEMNIFICATION

Unless otherwise indicated on the Declarations Page or indicated on any *endorsements* to your policy, the Exchange will neither defend nor indemnify you or your employees acting within the course and scope of their employment under Section II, Part 2 for the following:

1. Any *claim* which results from your rendering or failing to render medical, surgical, dental, x-ray, or nursing treatment, diagnosis, opinion or advice or other service or treatment conducive to health or of a professional nature, or your furnishing or dispensing of drugs or medical, dental, or surgical supplies including but not limited to any *claim* covered under Section II, Part 1 of this policy.

2. Any *claim* which results from your ownership, maintenance, operation, entrustment, use, loading, or unloading of: (1) motor vehicles; (2) draft or saddle animals or vehicles for use therewith; (3) vehicles from which merchandise is sold; (4) aircraft; or (5) watercraft.

3. Any *claim* which results from your ownership, maintenance, operation, or control of any elevator on the premises.

4. Any *claim* which results from: (1) your warranty of goods or products; or (2) your assumption of liability under any contract or agreement.

5. Any obligation for which you or any carrier as your insurer may be held liable: (1) under any worker's compensation, unemployment compensation, or disability benefits law, or under similar law; or (2) for any *bodily injury* to, sickness, disease, or death of any employee of yours arising from, and in the scope and course of, employment by you.

6. Any *claim* which results from goods or products, or containers thereof, manufactured, sold, handled, or distributed by you or by others trading under your name, if the *bodily injury* or *property damage* occurs after such goods or products have been relinquished to others and if the *bodily injury* or *property damage* occurs away from the *professional office premises.*

7. Any *claim* which results from injury to or destruction of property owned, occupied, or used by or rented to you, or property in your care, custody, or control, or property as to which you are for any purpose exercising physical control.

8. Any *claim* which results from *property damage* to premises sold or transferred to another by you arising out of such premises.

9. Any *claim* which results from *bodily injury* or *property damage* arising out of operations on or from premises (other than the *professional office premises* insured), owned by, rented to, or controlled by you, or to liability assumed by you under any contract or agreement relating to such premises.

10. Any *claim* which results from *bodily injury* or *property damage* arising out of the actual, alleged or threatened discharge, dispersal, release or escape of: smoke vapors; soot; fumes; acids; alkalis; toxic chemicals; liquid or gases; waste materials or other irritants; contaminants or pollutants:

    (1) At or from your *professional office premises;*

    (2) At or from any site or location used by or for you or others for: the handling; storage; disposal; processing; or treatment of waste;

    (3) Which are at any time: transported; handled; stored; treated; disposed of or processed as waste by or for you or any person or organization for whom you may be legally responsible; or

    (4) At or from any site or location on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations:

        (a) if the pollutants are brought on or to the site or location in connection with such operations; or

        (b) if the operations are to: test for; monitor; clean up; remove; contain; treat; detoxify or neutralize the pollutants; or

    Any loss, cost or expense arising out of any governmental direction or request that you: test for; monitor; clean up; remove; contain; treat; detoxify or neutralize pollutants.

11. Any *claim* which results from *bodily injury* or *property damage* arising out of structural alterations, new construction or demolition operations performed by you or on your behalf.

12. Any *claim* for loss caused by, resulting from, contributed to or aggravated by earth movement, including but not limited to: earthquake; landslide; mudflow; earth sinking; earth rising or shifting.

13. Any *claim* for loss caused by volcanic eruption.

    Volcanic eruption means: the eruption; explosion; or effusion of a volcano.

PART 3. EXCLUSIONS APPLICABLE TO SECTION II, PART 4 - EMPLOYER'S NON-OWNED PRIVATE PASSENGER AUTOMOBILE COVERAGE

The Exchange will neither defend nor indemnify you for *claims* arising from the following:

1. any damage to property you own or that you are transporting.

2. any damage to property you rent, lease, or that is in your care, custody or control.

3. any damage to property over which you are exercising physical control other than damage to a residence or private garage by the covered vehicle.

4. any *bodily injury* to an employee resulting from the acts of another employee while in the course and scope of his or her duties. Any *bodily injury* to an employee resulting from the acts of another employee who is not acting within the scope of his or her duties.

5. any *bodily injury* or *property damage* arising out of the use by you as a partner or officer of a corporation with respect to an automobile owned by your partner, your *entity*, another corporation officer, or a member of your household.

PART 4. NUCLEAR ENERGY LIABILITY EXCLUSION

1. The Exchange excludes from your policy coverage for the following:

   A. Under any liability coverage, to *BODILY INJURY* or PROPERTY DAMAGE:

      (1) With respect to which an INSURED under the policy is also insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be insured under any such policy but for its termination upon exhaustion of its limit of liability; or

      (2) Resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL and with respect to which: (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or (b) the INSURED is, or had this policy not been issued, would be entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof with any person or organization.

   B. Under any Supplementary Payment provision relating to first aid, to expenses incurred with respect to *BODILY INJURY* resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL and arising out of the operation of a NUCLEAR FACILITY by any person or organization.

(1) The NUCLEAR MATERIAL: (a) is at any NUCLEAR FACILITY owned by, or operated by or on behalf of, an INSURED; or (b) has been discharged or dispersed therefrom;

(2) The NUCLEAR MATERIAL is contained in SPENT FUEL or WASTE at any time: possessed; handled; used; processed; stored; transported or disposed of by or on behalf of an INSURED; or

(3) The *BODILY INJURY* or PROPERTY DAMAGE arises out of the furnishing by an INSURED of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any NUCLEAR FACILITY, but if such facility is located within the United States of America, its territories or possessions or Canada, the exclusion (3) applies only to PROPERTY DAMAGE to such NUCLEAR FACILITY and any property thereat.

2. As used in this endorsement:

A. HAZARDOUS PROPERTIES include radioactive, toxic or explosive properties;

B. NUCLEAR MATERIAL means SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL or BY-PRODUCT MATERIAL;

C. SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL, and BY-PRODUCT MATERIAL have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

D. SPENT FUEL means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a NUCLEAR REACTOR;

E. WASTE means any waste material: (a) containing BY-PRODUCT MATERIAL other than the tailings or wastes produced by the extraction of concentration of uranium or thorium from any ore processed primarily for its SOURCE MATERIAL content; and (b) resulting from the operation by any person or organization of any NUCLEAR FACILITY included under the first two paragraphs of the definition of NUCLEAR FACILITY.

F. NUCLEAR FACILITY means:

(1) Any NUCLEAR REACTOR;

(2) Any equipment or device designed or used for: (1) separating the isotopes of uranium or plutonium; (2) processing or utilizing SPENT FUEL; or (3) handling, processing or packaging WASTE;

(3) Any equipment or device used for the processing, fabricating or alloying of SPECIAL NUCLEAR MATERIAL if at any time the total amount of such material in the custody of the INSURED at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of WASTE, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

G. NUCLEAR REACTOR means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

H. PROPERTY DAMAGE includes all forms of radioactive contamination of property.

SECTION IV
GENERAL PROVISIONS

This section outlines responsibilities of both you and the Exchange.

Coverage for any *claim* is contingent upon compliance with all sections of this policy.

PART 1. YOUR APPLICATION FOR INSURANCE, MISREPRESENTATION, BREACH OF WARRANTY, CONCEALMENT, AND FRAUD

By accepting this policy, you warrant that statements on: (1) your application for insurance; (2) any renewal applications; (3) the Declarations Page; and (4) any other documents submitted to the Exchange for purposes of obtaining, retaining, or modifying this insurance are true and correct and are a part of this policy. If you, any other person or *entity* insured under your policy, or any agent of yours who provides the Exchange information on your behalf conceals or misrepresents any material fact or circumstance concerning this insurance, this policy will be void and the Exchange will rescind or cancel your policy.

This policy, the Declarations Page, or any amendment of it, any *endorsements* to this policy, your application for insurance, any renewal applications, and any other documents you submit to the Exchange for purposes of obtaining, retaining or modifying this insurance, embody all agreements existing between you and the Exchange relating to this insurance.

PART 2. YOUR AFFIRMATIVE DUTIES IN THE EVENT OF A CLAIM

A. NOTICE OF POTENTIAL CLAIM

If you believe that your rendering or failing to render *professional services* or that the use of your *professional office premises* may subsequently result in a *claim* being made against you under either Section I or Section II of this policy, you agree to notify the Exchange by telephone immediately and then in writing: (1) by filling out the form sent to you by the Claims Department; or (2) by sending the Exchange a written report which includes the following information:

1. Identification of any person or *entity* insured under your policy involved in the potential *claim.*
2. Date, time and place of the potential *claim.*
3. Description of what happened.
4. Description of the potential *claim.*
5. Name, address and age of the patient or injured person.
6. Names of other treating physicians, witnesses, and the hospital or other medical or surgical facility, if one is involved.

B. NOTICE OF ACTUAL CLAIM

You agree to forward immediately to the Exchange every demand, notice of intent to sue, summons, complaint, and/or other documents you or your representative receive, relating to a *claim* made against you.

C. COOPERATION

In order to protect your interests as well as the interests of the Exchange, it is imperative that you cooperate with the Exchange and your attorney throughout the pendency of a *claim.* Unless you provide the Exchange with full disclosure of all evidence and other information about a *claim,* it is likely that unexpected issues or information may not arise until a late date, which may prejudice your defense. At the Exchange's request you therefore agree:

1. To discuss this case as needed with Claims Representatives and your attorney, and make yourself available for meetings with Claims Representatives and your attorney.

3. To fill out Incident Reporting Forms and send to the Exchange other information it requests.

4. To pay any applicable deductibles which apply to your policy.

5. To refrain from making any payment, assuming any obligation, or incurring any expense relating to the *claim.*

6. To attend: hearings; trials; settlement conferences; depositions; arbitration; and/or other proceedings.

7. To obtain the attendance of witnesses.

8. To enforce any right of contribution or indemnity against any person or organization which may be liable to you.

9. To cooperate with the Exchange in all other respects in defense of any *claim.*

Failure to cooperate with the Exchange in the defense of any *claim* is a breach of this policy and will result in loss of coverage.

PART 3. YOUR AFFIRMATIVE DUTIES TO INFORM THE EXCHANGE ABOUT YOUR PRACTICE

A. RENEWAL APPLICATION

From time to time, the Exchange will send you a renewal application. You must complete this application and return it to the Exchange within 20 working days of your receipt of it. If you do not return the renewal application within the designated time period, the Exchange has the right to nonrenew your policy.

B. CHANGES IN YOUR PRACTICE OR PRIVILEGES

If the location, nature or scope of your practice has changed from that which you stated on your original application or renewal application, including but not limited to the changes described in Items 1-4 below, you must inform the Exchange immediately in writing of any such changes.

1. If you change the location of your *professional office premises* or open additional *professional office premises* after your original application or your most recent renewal application, you must inform the Exchange immediately in writing. (See Section III, Part 1, F.)

2. If, at a licensed health facility, you have been denied medical staff privileges, have been removed or suspended from the medical staff, and/or had your medical staff privileges: restricted; revoked; or reduced; you must inform the Exchange immediately in writing. In addition, if you have voluntarily restricted, reduced or resigned your medical staff privileges at such a licensed health facility, you must inform the Exchange immediately in writing.

3. If the medical licensing agency or if any other governmental agency in the state in which you practice investigates, restricts, suspends, revokes, or otherwise terminates either your license to practice medicine or your narcotic license, puts you on probation, or takes any other action against you, you must inform the Exchange immediately in writing. The Exchange will neither defend nor indemnify you for any *claims* which result from your rendering or failing to render *professional services* while your license is: suspended; restricted; revoked; or terminated. (See Section III, Part 1, L.)

substance abuse; or for any other cause, you must inform the Exchange immediately in writing. When you leave or are discharged from such a diversion or rehabilitation program, you must also inform the Exchange immediately in writing. (See also Section III, Part 1, S.)

C. POLICY CHANGES

You must contact the Exchange, in writing, to request a change in your policy. No change will be effective until the Exchange issues an amended Declarations Page and/or an *endorsement* to your policy.

D. PRACTICE OUTSIDE YOUR TERRITORY

If you wish to obtain coverage under your policy for rendering or failing to render *professional services* outside your *territory,* you must obtain prior written permission from the Exchange. However, if you are granted such permission and coverage, you must still maintain your medical practice as a physician or surgeon at the *professional office premises* stated on your Declarations Page.

If you do not obtain prior written permission and coverage under your policy, the Exchange will neither defend nor indemnify you for any *claims* which result from any act or omission to act in rendering or failing to render *professional services* outside your *territory.* (See Section III, Part 1, F.)

PART 4. YOUR AFFIRMATIVE DUTIES TO OBTAIN COVERAGE FOR OTHERS UNDER THIS POLICY

A. PHYSICIAN COVERAGE

If you are a physician or *entity* and are a *Named Insured* and if you wish to obtain coverage under your policy for physicians you employ, you must have each physician complete and send to the Exchange an application for coverage. The Exchange must approve each physician for coverage prior to that physician working for you. Once the Exchange has approved a physician for coverage and you have paid the premium, the Exchange will issue a Declarations Page which adds the physician to your policy as an *Additional Named Insured* and which states the effective date.

If the Exchange does not approve each physician for coverage prior to that physician working for you, the Exchange will neither defend nor indemnify you and/or the physician for any *claims* which result from any act or omission to act of such physician in rendering or failing to render *professional services.* (See Section III, Part 1, C.)

B. LOCUM TENENS COVERAGE

If the Exchange does not approve each *locum tenens* for coverage prior to that *locum tenens* working for you, the Exchange will neither defend nor indemnify you and/or the *locum tenens* for any *claims* which result from any act or omission to act of such *locum tenens* in rendering or failing to render *professional services.* (See Section III, Part 1, C.)

coverage under your policy for a *paramedical person* you employ, you must have each proposed *paramedical person* complete and send to the Exchange an application for coverage. The Exchange must approve each *paramedical person* for coverage prior to that person working for you. Once the Exchange has approved a *paramedical person* for coverage and you have paid the premium, the Exchange will issue a Declarations Page which adds the *paramedical person* to your policy and which states the effective date.

If the Exchange does not approve each *paramedical person* for coverage prior to that person working for you, the Exchange will neither defend nor indemnify you and/or the *paramedical person* for any *claims* which result from any act or omission to act of such *paramedical person* in rendering or failing to render *professional services.* (See Section III, Part 1, D.)

D. OTHER EMPLOYEES

Your employees (other than a licensed physician, surgeon, dentist, or *paramedical person* as defined in Section I of this policy) are automatically provided coverage as an *Additional Insured* under this policy. Coverage will apply to them solely when they are acting within the scope of their duties as your employee. If the employee acts outside their duties, the Exchange will neither defend nor indemnify you and/or the employee for any *claims* which result from any act or omission to act of such employee.

PART 5. YOUR PREMIUM

Your premium is payable in advance and will be billed before the expiration date of the current *billing period* at the applicable rates. Premium and/or rate adjustments made by the Exchange will become effective on the renewal date of your policy.

The premium for each *billing period* is due and must be postmarked or received by the Exchange twenty (20) days before the expiration of the current *billing period.* Any premium not paid on or before its due date will be in default. If premium is in default, and the current *billing period* expires, coverage under your policy ends. (See Section IV, Part 11, "Cancellation or Nonrenewal".)

If we increase your renewal premium, we will mail or deliver to the *Named Insured* written notice of our intent to increase the premium at least 60 days before the effective date of the premium increase.

PART 6. THE EXCHANGE'S RIGHT TO INSPECT

You agree to let the Exchange inspect your books, records, office, and equipment during normal business hours during the *policy period* and within three years after the cancellation date of your policy. The Exchange is not required to make inspections; but if it does inspect your professional office operations, it does not warrant that your offices, premises, or operations are safe or that they are in compliance with any laws, rules, or regulations.

PART 7. SUITS AGAINST THE EXCHANGE

You agree not to sue the Exchange to recover under this policy unless you have first complied with all the Exchange's rules and conditions and until the amount of your obligation to pay shall have been finally determined either by judgment against you after actual trial, arbitration, or by written agreement by you, the claimant and the Exchange.

PART 8. ASSIGNMENTS AND TRANSFERS

You and/or any other person insured under this policy cannot assign or transfer your interest under it without the Exchange's prior written consent. If you die, however, your estate will be insured as described in Section IV, Part 12.

PART 9. LIMITATION CONCERNING OTHER INSURANCE

This insurance is excess over any other valid and collectible insurance or any other source for indemnification or reimbursement for damages applicable to your rendering or failing to render *professional services* or to an *accident* on or in connection with the use of your *professional office premises.* This insurance will not apply until the limits of any other such insurance or other sources have been exhausted.

PART 10. RECOVERING FROM A THIRD PARTY (SUBROGATION)

You and/or any other person insured under this policy may be able to recover all or part of a loss from another person or organization. Therefore, you and any other insured person must act reasonably to preserve any rights of recovery available and must not do anything before or after a loss to prejudice such rights. If the Exchange makes payment under this policy, those rights of recovery (called "rights of subrogation" in law) belong to the Exchange.

PART 11. CANCELLATION OR NONRENEWAL

A. To cancel your policy, you must provide us with a written notice stating the prospective date on which you wish your cancellation to be effective. If you cancel prior to the end of a *billing period,* you will be refunded any unearned premium calculated on a prorata basis. However, receipt of the unearned premium is not a condition of cancellation.

B. The Exchange may cancel your policy at any time during the *policy period* for any of the following reasons:

(1) A judgment by a court or an administrative tribunal that the *Named Insured* or any *Additional Named Insured* has violated any law of any state or of the United States having as one of its necessary elements an act which materially increases any of the risks insured against.

(2) Discovery of fraud or material misrepresentation by either of the following:

a. Any insured or his or her representative in obtaining the insurance.

b. Any *Named Insured* or his or her representative in pursuing a *claim* under the policy.

(3) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by the *Named Insured* or any *Additional Named Insured* or his or her representative, which materially increase any of the risks insured against.

(4) Failure by the *Named Insured* or any *Additional Named Insured* or his or her representative to implement reasonable loss control requirements which were agreed to by the insured as a condition of policy issuance or which were conditions precedent to the use by the insurer of a particular rate or rating plan, if the failure materially increases any of the risks insured against.

material added risk, a materially increased risk or a materially changed risk, unless the added, increased, or changed risk is included in the policy.

If the Exchange cancels your policy, it will send you a written notice by certified mail to your latest address shown on the Exchange's records. This notice shall include the grounds for cancellation. This notice to the first *Named Insured* will serve as notice of the cancellations to all insureds and all other parties with an insurable interest. Unless the cancellation is for nonpayment of a premium (see Paragraph F below), the date of cancellation will be 60 days from the date on the written notice. If the Exchange cancels prior to the end of a *billing period*, you will be refunded any unearned premium calculated on a prorata basis.

C. The Exchange may nonrenew your policy at the expiration of your *policy period*. If the Exchange nonrenews your policy, it will send you a written notice by certified mail 60 days prior to the end of your *policy period*. This notice shall include the reason(s) for the nonrenewal. This notice to the first *Named Insured* will serve as notice of the nonrenewal to all insureds and all other parties with an insurable interest. The date of nonrenewal will be 12:01 a.m. of the date which concludes your *policy period*.

D. If the Exchange cancels or nonrenews your policy, you may appeal the cancellation or nonrenwal to the Board of Governors of the Exchange within ten days of your receipt of our notice of cancellation or nonrenewal. However, the cancellation or nonrenewal will be effective on the date stated in the notice even if you appeal. The Board of Governors will have the power to reinstate your policy subject to payment of premium. If your policy is reinstated by the Board of Governors, you will have coverage without lapse (i.e., as if the policy had not been cancelled or nonrenewed).

E. The cancellation date of your policy will be either: (1) the date requested in your written cancellation notice to us, or the date set by the Exchange instead of that date, if the requested effective date is not prospective; or (2) the date stated in our written cancellation notice to you.

F. If you do not pay your premium as required in Section IV, Part 5, the Exchange will consider your nonpayment as your notice to us of your cancellation of this policy. The Exchange will send you a ten-day advance notice of such cancellation.

G. If you notify the Exchange that you intend to cancel your policy (including notice by means of nonpayment of premium providing no premium is outstanding for any period beyond the cancellation date), or if the Exchange cancels or nonrenews your policy, you have the right to purchase the *Extended Reporting Endorsement*. However, you will not have the right to purchase the *Extended Reporting Endorsement* if the Exchange cancels or rescinds your policy for: any fraud; misrepresentation; concealment; or breach of warranty you commit in obtaining or retaining your policy or modifying your limits of liability, or you fail to pay all premiums due. (See Section IV, Part 1.)

PART 12. EXTENDED REPORTING ENDORSEMENT (TAIL COVERAGE)

A. You have the right to purchase an *Extended Reporting Endorsement*, also known as "tail coverage", upon the payment of additional premium at the applicable rates, provided that all premiums have been paid. You have this right upon discontinuation of your coverage except for the reasons stated in Paragraph E below.

B. The *Extended Reporting Endorsement* covers *claims* within its coverage which: (1) arise from your rendering or failing to render *professional services* subsequent to the *retroactive date* shown on your Declarations Page, or applicable *endorsement*, and prior to the date your basic coverage was cancelled or nonrenewed; and which (2) you or your legal representative first report to the Exchange during the *Extended Reporting Endorsement* period.

effective date of Extended Reporting Coverage are stated on the *Extended Reporting Endorsement.*

D. If you do not purchase the *Extended Reporting Endorsement,* the Exchange will neither defend nor indemnify you for *claims* that you, or your legal representative, first report to the Exchange after the cancellation/nonrenewal date of your coverage.

E. You will not have the right to purchase an *Extended Reporting Endorsement* if your policy is rescinded or cancelled by the Exchange for: any fraud; misrepresentation; concealment; or breach of warranty you commit in obtaining, retaining, or increasing this insurance. (See Section IV, Part I.)

F. If you die during the *policy period,* the Exchange will provide your legal representative with the *Extended Reporting Endorsement* without cost upon notice of your death.

G. If you become totally and permanently disabled and unable to continue the practice of medicine during the *policy period,* the Exchange will provide you with the *Extended Reporting Endorsement* without cost upon notice of your total and permanent disability from your attending physician within a reasonable period of time of the determination of the extent of the disability.

H. The Exchange will calculate the premium for the *Extended Reporting Endorsement* as of the date of cancellation/nonrenewal of your coverage. This calculation shall be without consideration of any discounts afforded to you during the *policy period,* however, the voluntary deductible and discount may be applied to this coverage at the insured's request. You or your legal representative will have 60 days after the cancellation/nonrenewal date of your coverage in which to pay the premium for the *Extended Reporting Endorsement.* If you do not pay the required premium within 60 days after cancellation/nonrenewal, the Exchange will not be required to issue the *Extended Reporting Endorsement.*

PART 13. COMPLIANCE WITH STATE LAWS

If any portion of this policy conflicts with state law, that portion of the policy is automatically changed to conform to law.

SECTION V.

ENDORSEMENTS

Your specialty, shown on your Declarations Page or subsequent *endorsement,* identifies the *endorsements* in this section that apply to your coverage, if any. There may be *endorsements* other than those listed in this section that also apply to your policy. If so, copies of such *endorsements* are attached to your policy.

IF THE DECLARATIONS PAGE OR SUBSEQUENT ENDORSEMENT STATES THIS IS A SLOTTED POLICY THEN THE FOLLOWING CLAUSES APPLY:

E400 SLOT COVERAGE

(1) You shall have the right to cancel coverage under your policy, upon your giving prior written notice to the Exchange, for your employed physicians, and *paramedical persons,* designated as *Additional Named Insureds* on the Declarations Page, or subsequent *endorsement,* as of the date such employed physician, or *paramedical person,* leaves your employ.

(2) You shall have the right to designate a replacement for such employed physician, or *paramedical person,* provided that such replacement physician, or *paramedical person;* (a) makes application to the Exchange; and (b) is accepted by the Exchange.

(3) Your premium shall be calculated from the date on which coverage began for the first employed physician, or *paramedical person,* who occupied this slot.

(4) While this slot coverage is open, the Exchange will cover you and all *Additional Named Insureds* employed by you for *claims* arising from *professional services* which were rendered by such *Additional Named Insureds* during the period that they were employed by you and were *Additional Named Insureds.*

(5) If you fail to purchase the *Extended Reporting Endorsement* within 60 days after cancellation of this slot, the Exchange will endeavor to give written notice of cancellation of coverage to each person who was an *Additional Named Insured* under this slot. Each such *Additional Named Insured* under this slot shall have an additional 60 days in which to purchase the *Extended Reporting Endorsement* to cover *claims* arising out of the rendering or failing to render *professional services* by that person during the period when he or she was an *Additional Named Insured* under this slot. If Extended Reporting Coverage is not purchased, the *entity* will have no coverage for *claims* or suits arising out of the actions of any occupants of the slot.

(6) The Exchange will send such written notice to the last known address of each *Additional Named Insured* as indicated in our files.

E402 OFFICE GENERAL ANESTHESIOLOGY RESTRICTIVE ENDORSEMENT - ANESTHESIOLOGIST/C.R.N.A.

This *endorsement* is in addition to the terms of the E401 *endorsement.*

The Exchange excludes from your policy coverage for *claims* which result from administration of general anesthesia in an office operating suite outside of a licensed hospital or licensed surgicenter unless you meet the following requirements:

1. You must be certified by, or have completed the requirements for, certification by the American Board of Anesthesiology. This requirement applies to anesthesiologists only.

2. The surgeon for whom you are administering the general anesthesia must have admitting privileges in a licensed hospital in the relevant medical community.

3. The surgeon for whom you are administering the general anesthesia is to have professional/medical liability insurance with minimum limits of liability in the amount of $500,000 per *claim* /$1,500,000 annual aggregate.

4. You and the surgeon for whom you are administering the general anesthesia are to have separate billing services; except when you and the surgeon are named on the same policy with the Exchange.

5. A plan for handling emergencies in the office operating suite and for emergency transfer is to be posted in a prominent location in the office operating suite.

6. The office operating suite in which the surgical procedure is performed must meet the requirements of the Exchange.

7. You must follow the requirements for the administration of regional or general anesthesia set forth in your policy.

8. Patients determined by you to be anesthesia risk Class III, IV, or V are not to be routinely operated on in an office operating suite.

9. You will evaluate the patient preoperatively. You will review a completed history, the results of clinical tests, and the physical examination performed and recorded in the patient's record within the seven days which precede your administration of the general anesthesia. The patient information included (except in minor outpatient local anesthesia cases without intravenous sedation) will be as follows:

   An admission note (or copy of the physician's office record) and pertinent laboratory test data shall be placed in the record prior to the beginning of surgery. The admission note should include at least the patient's present condition, significant past history, drug sensitivities and current medications. If general anesthesia is to be utilized, laboratory data required should be appropriate to the patient's condition and past history. Other laboratory test, x-rays or ECG reports appropriate to the patient's condition and past history are the prerogative of the attending physician and/or anesthesiologist/CRNA.

   Laboratory test results are acceptable for two weeks, chest x-ray and ECG reports up to 90 days unless that patient's underlying condition would indicate that testing should be repeated close to the scheduled time of surgery.

10. You are to ascertain that a responsible person will sign a copy of your post-anesthesia instructions and will accompany the patient to the patient's residence or to a designated location.

11. You are to be responsible for monitoring and directing the anesthetic procedures during surgery and for the care of the patient while the patient is under anesthesia and recovering from anesthesia. You are to be present postoperatively in the surgery facility until the patient has recovered from the anesthesia. The decision to discharge the patient from anesthesia is yours; you will discharge the patient to the surgeon. Before discharging the patient, you will place the completed anesthesia record on the patient's chart.

12. At the time you discharge the patient to the surgeon's care, you are to discuss with, and give to, the patient and the person signing them, a copy of your anesthesia discharge instructions. Such instructions should include a warning that effects of anesthesia can persist for 24 hours, that the patient should exercise extreme caution before engaging in any activity, and a warning to refrain from any activity that could be harmful to him/herself or others. You are to place in the patient's record a duplicate signed copy of your discharge instructions.

    If the surgeon for whom you have administered the anesthesia is not insured by the Exchange and, therefore, is not subject to the requirements of the surgeon *endorsement* found in this section, you must also ascertain that the surgeon has included an emergency telephone number and next appointment date in his written postoperative instruction to the patient and the person signing the duplicate copy. This should be in the patient's record.

13. For purposes of this *endorsement,* the term "general anesthesia" means the administration of any drug(s) in any manner with the intent to render the patient unconscious to the level of surgical anesthesia for any time beyond a brief period at the beginning of or during the procedure for the purposes of relieving momentary pain (e.g., injection of local anesthesia).

E403 OFFICE GENERAL ANESTHESIOLOGY RESTRICTIVE ENDORSEMENT - SURGEON

The Exchange excludes coverage for *claims* which result from your *professional services* as a surgeon in an office operating suite outside of a licensed hospital or licensed surgicenter unless you meet the following requirements:

1. You must have privileges to perform the surgical procedure(s) in a licensed hospital in the medical community in which you are performing the surgical procedure.

2. The anesthesiologist/certified registered nurse anesthetist (CRNA) who is administering the general anesthesia for you is to have professional/medical liability insurance.

3. You and the anesthesiologist/CRNA who is administering the general anesthesia for you are to have separate billing services; except when you and the anesthesiologist/CRNA are named on the same policy with the Exchange.

4. A plan for handling emergencies in the office operating suite and for emergency transfer is to be posted in a prominent location in your office operating suite.

5. The office operating suite in which you perform the surgical procedure(s) must meet the requirements of the Exchange.

6. The anesthesiologist/CRNA who is administering the general anesthesia for you must follow the requirements for the administration of regional or general anesthesia as set forth in the *endorsements* to be found in Section V, E402 of your policy.

7. Patients assessed to be anesthesia risk, Class III, IV or V are not to be routinely operated on in an office operating suite.

8. Appropriate clinical laboratory testing individualized to the patient's condition is the responsibility of the surgeon. Testing of any patient may include, except in minor outpatient local anesthesia cases without intravenous sedation, (1) urinalysis, blood count, x-rays or electrocardiograph, and whatever other laboratory tests which, at the discretion of the attending physician(s), are appropriate for the underlying past history and present condition of the patient, (2) appropriate preoperative evaluation of the patient will be completed and recorded in the patient's record preceding surgery, and will be available for review prior to induction of anesthesia. Laboratory test results are acceptable for two weeks; chest x-ray and ECG reports up to 90 days unless the patient's underlying condition would dictate that testing should be repeated closer to the scheduled time of surgery.

9. You are to ascertain that a responsible person will sign a copy of your surgery discharge instructions and will accompany the patient to the patient's residence or to a designated location.

10. The anesthesiologist/CRNA is responsible for monitoring and directing the anesthetic procedures during surgery and for the care of the patient while the patient is under anesthesia and recovering from anesthesia. The anesthesiologist/CRNA is to be present postoperatively in your facility until the patient has recovered from the anesthesia. The anesthesiologist/CRNA is to discharge the patient to your control.

11. After the anesthesiologist/CRNA has determined that the patient has recovered from the anesthesia, has given the patient anesthesia discharge instructions and has discharged the patient to your care, you are to discuss with, and give to, the patient and the person signing your surgery discharge instructions, a copy of those instructions, which includes an emergency telephone number and next appointment date. You are to place in the patient's record a duplicate signed copy of these discharge instructions.

12. You are to verify that a completed anesthesia record is on the patient's chart before the anesthesiologist/CRNA leaves your office operating suite.

13. For purposes of this *endorsement,* the term "general anesthesia" means the administration of any drug(s) in any manner with the intent to render the patient unconscious for any time beyond a brief period at the beginning of or during the procedure for purposes of relieving momentary pain (e.g., injection of local anesthesia).

E404 PSYCHIATRIST'S EXTENDED COVERAGE ENDORSEMENT

The Exchange will indemnify you if you are a licensed and practicing psychiatrist for *claims* which arise from your rendering or failing to render *professional services* and which result in a charge of false arrest, detention or imprisonment of a patient by you if:

1. You determine in the course of treatment of a patient, as a result of a mental or emotional disorder of the patient, there is a physical danger to such patient or to others from such patient or that such patient's mental or emotional faculties are substantially impaired; and

2. If by means of lawful procedures, you cause your patient to be hospitalized; and

3. A psychiatric evaluation of such patient is commenced within twenty-four (24) hours of such hospitalization.