A CLAIMS-MADE
PHYSICIAN PROFESSIONAL LIABILITY POLICY

FROM

Applied Medico-Legal Solutions Risk Retention Group, Inc.

This is a nonassessable CLAIMS-MADE insurance policy.

IMPORTANT NOTICE

This Policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

This Policy provides coverage on a claims-made basis. Claims-made coverage is limited to liability for those Claims that arise from covered Incidents which take place on or after the specified Retroactive Date and prior to termination of this Policy, and which are reported to US during the Policy Period, or any applicable Extended Reporting Period.

This policy contains an exclusive arbitration provision.

PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR LEGAL OR INSURANCE ADVISOR
PROFESSIONAL LIABILITY POLICY

Introduction

This policy is written in plain language. Please read it and familiarize yourself with what it says. If you have any questions, corrections or changes, please contact us at the telephone number or address listed on the Coverage Summary to this policy.

Your Professional Liability Policy is made up of the following items

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1. Coverage Summary

This is a page, which is typed or printed and inserted manually as the first page you see when you open the policy. It will include a description of who is/are policyholder(s), insured(s), applicable limits of liability, insured organizations, which Coverage Parts and/or Endorsements are applicable, when coverage begins and ends and other information required for you to understand the policy. If this page is missing or incorrect, please call or write us so we may send you a copy or issue any needed corrections.

2. Common Policy Conditions

The conditions contained in this section apply to every Coverage Part and Endorsement(s) that is/are a part of this policy. Rather than repeat them, we have consolidated them in this section.

3. Common Exclusions

The exclusions contained in this section apply to every Coverage Part and Endorsement(s) that is/are part of this policy. Additional exclusions, if any, are contained in the applicable Coverage Part and every Endorsement that is part of this Policy. Rather than repeat them, we have consolidated them in this section.

4. Definitions

The definitions contained in this section apply to every Coverage Part and applicable Endorsement that are part of this policy.
Additional definitions, if any, are contained in the applicable Coverage Part or Endorsements that are part of this policy. Rather than repeat them, we have consolidated them in this section.

5. **Coverage Part(s)**

The only applicable Coverage Parts are those shown on the Coverage Summary and have a premium shown or indicate the premium is included as applicable. Those applicable Coverage Parts provide **you** specific coverage agreements which detail the type of coverage provided by this policy. The policy may contain more than one Coverage Part, each providing different specific coverage agreements.

6. **Endorsements**

This policy may contain endorsements. Endorsements may be added to change policy terms and conditions as applied to you. Endorsements to the policy at inception are listed on the Coverage Summary. Other endorsements may be added to the Policy during the policy period, as described in Paragraph C of the Common Policy Conditions Section.

**COMMON POLICY CONDITIONS**

A. **The Policy Period**

Coverage under this policy shall begin at 12:01 AM standard time at the address and on the effective date shown in the Coverage Summary. If this policy replaces a policy ending at noon, rather than 12:01 AM, coverage shall begin at noon when coverage under the old policy expires. Coverage shall expire at 12:01 AM, standard time, on the expiration date shown in the Coverage Summary. If all or part of this policy is cancelled for any reason before that date, the coverage will end at 12:01 AM standard time on the cancellation date.

B. **Premiums**

1. All premiums paid to us shall be computed in accordance with our rules, rates, rating plans, premiums and minimum premium applicable on the effective date of the policy.

2. The first premium payment is due on or before the date coverage is effective. Subsequent premium payments are due 20 days before the beginning of the applicable billing period. If payment is not made by the beginning of the applicable billing period, we will cancel this policy.

3. The **policyholder** shown in the Coverage Summary:
a. is responsible for the payment of all premiums; and

b. shall be the payee for any return premium we pay; however, if the premium is paid by another person or organization, that person or organization shall be entitled to any return premium.

The policyholder must immediately notify us, in writing, of any change in the information provided to us in any application or other communication, including any change in medical specialty, medical procedure, medical licensing status or privileges, location of practice, addition, substitution or termination of employees, partners, agents, independent contractors and insureds or, changes in the corporation, partnership or professional association or affiliation of the policyholder. The policyholder must also immediately notify us, in writing, if any employee, partner, agent, independent contractor or insured enters, leaves or is discharged from a diversion or rehabilitation program or is being investigated by any state licensing agency or medical review board. Failure to inform us of such changes or events, including the specific changes or events listed above, may result in either the cancellation or non-renewal of this policy, at our option.

C. Policy Changes

This policy can only be changed by a written endorsement to the policy. This endorsement must be signed by one of our authorized representatives. Notice to our agent or knowledge possessed by our agent or any other person shall not act as a waiver by us of any requirement under the policy or change any part of this policy. Any notice to any person will not prevent us from asserting any rights under the provisions of the policy.

We make changes in our standard policy from time to time. While your policy is in effect, we may make a change in our standard policy which may broaden or restrict coverage under that policy. If the change broadens your coverage and the change can be added to your policy without requiring a premium increase, you will automatically receive the benefit of the broadened coverage.

D. Cancellation or Non-renewal

1. Cancellation By the Policyholder

This policy may be canceled at any time by the policyholder by sending advance written notice to us stating when thereafter such cancellation shall be effective. We will return any unearned premium, less the customary short rate fee. However, the policy cancellation will still be effective even if you have not yet received any such return premium due you.
2. Cancellation By Us

a. During the first sixty (60) days this policy is in force, we may cancel this policy or an insured’s coverage:

(1) upon ten (10) days written notice for:
   
   (a) non-payment of premium under the terms of this policy;
   
   (b) nonpayment of capital contributions for our stock under the terms of any stock subscription agreement, voting agreement or other agreement between you or the policyholder and us;
   
   (c) the material breach by you or the policyholder of any agreement between you or the policyholder and us, including without limitation this policy or any stock subscription agreement or voting agreement.

(2) upon thirty (30) days written notice for any other underwriting reason.

b. After this policy has been in force for more than sixty (60) days, or if this policy is a renewal of a policy previously issued by us, we may cancel this policy or an insured’s coverage:

(1) upon ten (10) days written notice for:

   (a) non-payment of premium under the terms of this policy;

   (b) nonpayment of capital contributions for our stock under the terms of any stock subscription agreement, voting agreement or other agreement between you or the policyholder and us;

   (c) the material breach by you or the policyholder of any agreement between you or the policyholder and us, including without limitation this policy or any stock subscription agreement or voting agreement.

(2) upon sixty (60) days written notice for any one or more of the following reasons

   (a) material change in the nature and extent of the risk, within your control, that takes place after policy issuance or renewal and which results in uninsurability; or causes the risk of loss to be substantially and materially increased beyond that contemplated when this policy was issued or last renewed;
(b) revocation or suspension of your license to practice medicine;

(c) our loss of, or inability to obtain reinsurance on the risk insured;

(d) a determination by the Commissioner of Insurance of your state or the State of Arizona that continuation of this policy or the premium volume would jeopardize our financial solvency or injure the interest of policyholders or the public, or continuing this policy itself would violate any applicable Insurance Law of your state or the State of Arizona;

(e) failure to comply with reasonable loss control recommendations which were agreed to by you as a condition of policy issuance or which were conditions precedent to our use of a particular rate or rating plan, if the failure materially increases any of the risks insured against.

Cancellation for non-payment of premium is not effective if the amount due is paid before the cancellation effective date set forth in our notice of cancellation.

3. Non-renewal

We will provide sixty (60) days written notice of our intent not to renew this policy or of our intent to offer renewal on a conditional basis.

Our written notice of cancellation, non-renewal or conditional renewal will include the reason(s) for such action, and we will send a copy to your agent or broker, if any. Our written notice to the policyholder shall be deemed as proper notice to all insureds under this policy. Proof of mailing of such notice shall be deemed proof of notification. If we cancel, we will return any unearned premium on a pro rata basis.

If we fail to give you proper notice of cancellation, non-renewal or conditional renewal as provided above, you may elect to have this policy remain in effect at the same terms, conditions and rates until sixty (60) days after we have provided proper written notification. However, this provision does not apply, nor must we provide notice of non-renewal if:

    (1) We have offered to issue a renewal policy;

    (2) You have obtained replacement coverage or have agreed in writing to do so; or

    (3) You have accepted our conditional renewal terms.

Your insolvency or bankruptcy shall not preclude us from asserting our rights to effect cancellation or non-renewal.
E. Policy Territory

Legal action and proceedings covered by this policy must occur within the United States of America.

F. Assignments and Transfers

Neither the policyholder nor anyone else covered under this policy can assign or transfer your or their interest in the policy without our prior written consent. If you die or are adjudged mentally incompetent, the coverage under the policy shall be automatically terminated as to you and your interest in the policy shall be automatically transferred to your duly appointed legal representative. Any unearned premium shall be calculated on a pro rata basis from the termination date and returned according to the provisions of this policy.

G. Your Consent to Settle

We will obtain written consent from you before we settle a claim against you arising from a medical incident. You agree to waive such right to consent under the following circumstances:

1. The settlement amount is within any deductible amount applicable to the claim.
2. You are deceased or adjudicated incompetent.
3. Judgment is entered.
4. Your license to practice medicine is suspended or revoked.
5. The claim was reported under an Extended Reporting Period Endorsement to this policy.
6. You, after reasonable efforts by us, cannot be located.

H. Other Insurance

If you have any other policies of insurance, whether primary, excess, umbrella, or otherwise, that provide coverage, in whole or in part, for damages or expenses that are also covered by this policy, the following shall apply. You agree that the other insurance must pay first and that this policy shall apply only in excess. This policy will not contribute with such other insurance toward payment of such damages or claim expenses on a pro rata or any other basis. This provision, however, shall not apply with respect to other insurance that specifically schedules this policy to be underlying insurance.
I. Recovering Damages From a Third Party

If a claim covered under this policy involves an amount that you may legally recover from some other party, we have the right to seek recovery from that other party. Both before and after we make payment on any such covered claim, you must do all that is reasonably possible to preserve any such right of recovery that is available.

If we make such a recovery, the expenses of making that recovery shall be paid from such recovery first. With respect to the remainder of any such recovery, if any, you shall next be reimbursed to the extent that you have paid any amount in excess of the sum of (a) your deductible, if any, and (b) the amount of damages and claim expenses we pay pertaining to this policy. We shall next be reimbursed up to the extent that we have paid damages and claim expenses pertaining to this policy. Then, you shall next be reimbursed to the extent you have paid any deductible obligation under this policy.

J. Lawsuits Against Us

No person or organization (including you) can join us in an action against you, and no one can sue us directly on a claim against you.

After liability against you has been determined by court judgment or written agreement, the party making the claim may be able to recover under this policy, but only up to the limit of your coverage. If you or your estate is adjudged bankrupt or becomes insolvent, we will still be obligated under this policy.

K. Fraud and Misrepresentation

This policy shall be void if you or any insured covered under this policy fail or refuse to disclose any relevant fact or information to us, alter, conceal or destroy any relevant record or document, mislead us or defraud or lie to us about any relevant issue relating to coverage under this policy, either before or after a loss. Unintentional errors or omissions, however, will not affect your rights under this policy.

L. Our Right To Inspect and Audit

You agree to let us or our representative inspect your property and business operations during normal business hours while this policy is in force. We are not required to make inspections. If we do, such inspection does not constitute a guarantee that your offices, premises or operations are safe or that they are in compliance with any applicable laws, rules or regulations. You also agree to allow us to examine and audit your books and records that relate to this insurance at any time up to three years after the policy ends. Any inspection, surveys, reports or recommendations shall relate only to insurability under the policy and premium charged.
M. Your Duties in the event of a Claim or Probable Claim Event

If a claim is made against you, it is your duty to:

1. Immediately notify us and forward to us every demand, notice of intent to sue, complaint or other document you or your representative receives relating to the claim.

2. Promptly provide written details concerning the claim, including the date, time, place, parties involved, identity of the injured party or parties, and identities of all witnesses.

3. Cooperate with us in the investigation, defense and settlement of any claim. This includes submitting to examination under oath and promptly producing all records in your care, custody or control relating to the claimant or patient.

4. Refrain from making any offer or payment, assuming any obligation, or incurring any expense relating to the claim without our prior written agreement.

5. Consent to the submission of special verdict forms or other written inquiries to the trier of fact for the purpose of determining the basis for your liability (if any), if suit or any other proceeding is brought on the claim.

If during the policy period you become aware of a probable claim event, and you, immediately and within the policy period:

1. Provide us written notice of such probable claim event, including a description of the probable claim event in question, the identities of the potential claimants, the identities of all witnesses, the consequences which have resulted or may result from such probable claim event and the circumstances by which you first became aware of such probable claim event;

2. Provide us all records in your care, custody or control relating to the potential claimants or patient; and

3. Request coverage under this policy for any claim subsequently resulting from such probable claim event;

then we will treat such subsequently resulting claim as if it had been made against you during the policy period. Notice of any such subsequently resulting claim must be given to us immediately, but in no event later than thirty (30) days after such claim is first received by any insured.

Written notice of a claim report must be delivered to us at the following address:
N. Optional Extended Reporting Period Endorsement

1. When coverage under this policy ends for any reason, the policyholder has the right, but not the obligation, to buy an Extended Reporting Period endorsement, commonly referred to as “tail coverage.” However, policies canceled for non-payment of premium, nonpayment of capital contributions for our stock under the terms of any stock subscription agreement, voting agreement or other agreement, or for non-compliance with the terms and conditions of this policy are not eligible for this endorsement. If purchased, this endorsement allows you to report to us claims that resulted from medical incidents that occurred on or subsequent to the retroactive date and prior to the expiration date of the policy.

2. The policyholder must submit a written request expressing a desire to purchase the Extended Reporting Period Endorsement and pay the premium for coverage within thirty (30) days after the expiration date of the policy.

3. The policy language that applied immediately prior to the expiration date will apply to all claims submitted during the extended reporting period. The broadening of coverage portion of the Policy Changes provision found in the General Conditions section will not apply during the Extended Reporting Period.

4. The Per Claim limit of liability that applied to you on the cancellation date will apply to all claims submitted during the Extended Reporting Period. The Aggregate limit that applied to you on the cancellation date is the maximum amount we will pay for all claims covered under this policy prior to the cancellation as well as under the Extended Reporting Period.

5. There will be no charge for the Extended Reporting Period endorsement if any of the following events take place while the policyholder, insured physician or physician extender are actively insured with us: If the insured physician or physician extender

   a. dies (we must have a copy of the Death Certificate or other proof of death);

   b. becomes disabled; or,

   c. fully retires from the practice of medicine at age fifty-five (55) or more and has been continuously insured by us for the last five (5) years immediately before retirement.
In the event you or the policyholder return to the practice of medicine, the policyholder must immediately notify us in writing. If you report a claim to us under the Extended Reporting Period and we determine you were not fully retired from the practice of medicine, no coverage will apply to the claim.

O. Arbitration and Interpretation

Any dispute between you and us relating to this policy will be resolved by arbitration in accordance with the rules and procedures established by the American Arbitration Association.

If such a dispute remains unresolved for 30 days, either party may notify the other of its desire to arbitrate. The party seeking arbitration shall notify the other of the name of the arbitrator it has selected. The remaining party must then submit the name of the arbitrator it chooses within 30 days after receiving the notification. The two selected arbitrators must then agree upon a third arbitrator within 30 days. If the two arbitrators fail to agree upon a third arbitrator within 30 days, then either you or we can request that the third arbitrator be appointed by a court with jurisdiction.

Each party will each pay its own arbitration expenses, including expenses associated with the arbitrator each party selects, and will share the expenses of the third arbitrator equally. Unless otherwise agreed, the arbitration will take place in the county where the policyholder was domiciled as of the effective date of this policy.

It is the intent of the parties to this policy that the terms and conditions of this policy shall be interpreted and applied in an evenhanded fashion. This shall be done in a manner consistent with all of the terms and conditions of this policy and without regard to authorship of particular policy language or an arbitrary construction in favor of one party or the other merely because it is claimed that particular policy language is susceptible to more than one interpretation.

P. Mergers, Acquisitions or Newly Created Entities

If during the policy period a Professional Organization insured under the Professional Organization Coverage Part of the policy acquires or creates another entity or subsidiary or becomes a member of a joint venture or partner in a partnership, or if the Professional Organization merges or consolidates with another entity such that the Professional Organization is the surviving entity (any of which events is referred to as a “Transaction” in this Condition P.), we shall have the option of providing coverage to such entity or subsidiary.

Coverage under this provision is afforded only until the 30th day after the Professional Organization acquires or forms the entity or subsidiary, or the end of the policy period, whichever is earlier, unless specifically endorsed on the policy.
Coverage under this provision is not afforded for liability arising from any medical incident that happened before the Professional Organization acquired or formed the entity or subsidiary.

No coverage shall be afforded under this policy for any claim involving the entity or subsidiary that is acquired, created, merged or consolidated with, unless:

1. The Professional Organization notifies us of the Transaction as soon as possible but in no event later than thirty (30) days after the effective date of the Transaction.
2. The Professional Organization provides us such information regarding the Transaction as we request; and
3. The Professional Organization accepts any terms, conditions, exclusions and limitations and pays any additional premium as we, at our sole discretion, impose. If we, at our sole discretion, elect to provide coverage, this policy shall not apply to, and we will not pay damages or defense costs for any claim arising from any medical incident happening before:
   a. the effective date of the Transaction; or
   b. the effective date of coverage under this policy for such entity or subsidiary as set forth in any endorsement to be issued for which premium has been paid.

In the event we, at our sole discretion, choose not to offer coverage beyond the thirty (30) day period, the Professional Organization must pay any premium assessed by us for that aforementioned period.

For purposes of this Condition P., “subsidiary” means any entity for which the Professional Organization:

1. Owns or possesses fifty percent (50%) or more of the issued and outstanding capital stock; or
2. Has or controls the right to elect or appoint more than fifty percent (50%) of the directors or trustees.

Q. Sales or Dissolution of Insured Entities; Cessation of Business

If during the policy period:

1. The a Professional Organization insured under the Professional Organization Coverage Part of the policy is dissolved, sold, acquired by, merged into or
consolidated with another entity such that the Professional Organization is not
the surviving entity; or

2. Any person, entity, or affiliated group of persons or entities obtains:
   a. Ownership or possession of fifty percent (50%) or more of the issued
      and outstanding capital stock of the Professional Organization, or
   b. The right to elect or appoint more than fifty percent (50%) of the
      Professional Organization’s directors or trustees; or

3. The Professional Organization ceases to do business for any reason other than
any of the events listed in 1. or 2. above, coverage under this policy shall
continue in full force and effect until the expiration date or any earlier
Cancellation date, but this policy shall apply only to medical incidents
happening before the effective date of such transaction. This policy shall not
apply to and we will not pay any damages or defense costs for any claim
arising from any medical incident happening on or after the effective date of
such transaction.

COMMON EXCLUSIONS

The following exclusions apply even if the acts and/or subject matter described in the exclusions are
intertwined and/or inseparable from the rendering of professional services. We will not defend or
pay under this policy for:

A. Punitive or exemplary damages unless coverage for those types of damages are required by
the state where this policy is issued.

B. Any injury or damages arising from an intentional tort, criminal act, or acts or omissions
occurring while you are under the influence of alcohol, narcotics, drugs or any other
substance.

C. Any amounts which you or any party must pay under any unemployment compensation,
workers compensation, disability benefits law or other similar law.

D. Any injury or damages to:
   1. your employee arising out of and in the course of employment by you, or,
   2. the spouse, domestic partner, child, parent, brother or sister of that employee as a
      consequence of “1.” above.

This exclusion applies to any liability you have assumed under any contract or agreement
other than a contract covered by this policy. However this exclusion shall not apply if you are
providing immediate medical or surgical care to an employee after an injury or there is a medical incident resulting from providing of professional services to an employee.

**E.** Any injury or damages arising out of any:

1. refusal to employ;
2. termination of employment; or,
3. coercion, demotion, reassignment, defamation, harassment, sexual harassment, humiliation, discrimination or any other employment related practices, policies, acts or omissions.

**F.** Any injury or damages arising out of claims asserting any business or employment dispute, antitrust violations, unfair competition, boycott, conspiracy, the independent tort of conspiracy, trademark, patent or copyright infringement, misappropriation of trade secrets, breach of covenant not to compete, non-competition agreement, interference with business relations or contract, or any other act or omission which violates any statute, ordinance or regulation imposing any fine, penalty or other sanction.

**G.** Any injury or damages due to any acts of war.

**H.** Any injury or damages due to your legal responsibility resulting from the manufacturing, distributing, selling or serving of alcoholic beverages, or if you are the owner or lessor of locations used for such purposes.

**I.** Any required return or withdrawal of fees or government payments to you; the payment of any fines, penalties, sanctions, or any multiplication of amounts payable as penalties under this policy imposed by law.

**J.** Any fees, costs, expenses or other charges attributable to compensation of private legal counsel you may retain to protect your personal interests, whether or not a conflict of interest exists between you and us.

**K.** Any damages based upon the Employee Retirement Income Security Act of 1974, Public law 93-406 commonly referred to as the Pension Reform Act of 1974, and amendments thereto or similar provisions of any federal, state or local law.

**L.** Any injury or damages arising out of the hazardous properties of nuclear material, regardless of cause. However, this exclusion does not apply to liability arising from professional services to a patient, or from your practice of nuclear medicine.

**M.** Any injury or damages arising out of the ownership, maintenance or use of any motor vehicle, trailer, semi-trailer, watercraft or aircraft, except for the loading or unloading of patients therefrom on premises that you own or are under your control.
N. Any injury or damages arising out of any actual or alleged pollution, which means the generation, storage, transportation, discharge, dispersal, escape, treatment, removal, or disposal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, soot, odors, vapors, acids, alkalis, toxic chemicals, asbestos, medical or pharmaceutical waste or waste materials.

O. Any injury or damages arising from the ownership or management of any nursing facility, convalescent hospital, nursing home or other similarly constituted facility, or, the provision of professional services or quality assurance activities or service on a formal hospital or professional society board or committee at such facility.

P. Any injury or damages arising from the administration of general anesthesia, spinal or epidural anesthesia or deep sedation, by anyone other than a licensed anesthesiologist or certified registered nurse anesthetist or in any place other than a hospital or licensed surgical facility.

DEFINITIONS

Wherever used in this policy, the following words or phrases in bold type shall have these meanings:

**Accident** means an event or circumstance proximately caused by the insured that is neither expected nor intended from the standpoint of the insured.

**Authorized volunteer worker** means any approved person, group or organization, including an auxiliary, while acting within the course and scope of their duties for the named insured and who is not compensated for their services or labor.

**Claim** means any written expression of an intent to hold you responsible for damages arising from the rendering or failure to render professional services by you or by someone for whom you are legally responsible. If this policy is terminated for any reason, we will not accept as claims incident reports that do not comply with the definition of claim.

**Claim expenses** means the fees charged by an attorney we designate; and all other fees, costs and expenses (including interest on that part of any judgment that does not exceed the limit of your coverage) which result from the investigation, adjustment, defense and appeal of a claim. These expenses must be incurred by us, or by you with our prior written consent. Claims expenses do not include awards of attorney fees for a claimant.

**Claim report** means a written communication received at our offices that notifies us of (a) your receipt of a claim; or (b) your awareness of a probable claim event.

**Damages** means all amounts of money (legally recoverable) which are payable because of injury to which this insurance applies and includes an award of attorney fees for a claimant.
Disabled means you have ceased your practice of medicine as a result of your permanent, complete and continuous inability to practice medicine, as certified by a physician acceptable to us.

Expiration date means the end of the policy period as specified in the Coverage Summary or Continuation Coverage Summary, or if earlier, the date this policy is cancelled or terminated in accordance with Paragraph D (Cancellation or Non-renewal) of the Common Policy Conditions section of this policy.

Injury means bodily injury, sickness, disease, mental or emotional distress sustained by a person, or death resulting from such injury caused by you.

Insured means any person or entity covered under this policy.

Insured organization means any partnership, professional corporation, professional association, limited liability company, or other entity designated as such on the Coverage Summary.

Insured physician means any physician designated as such on the Coverage Summary or Continuation Coverage Summary.

Insured physician extender means any physician extender designated as such on the Coverage Summary or Continuation Coverage Summary.

Medical incident means any act, error or omission in the providing of or failure to provide professional services by you or by someone for whom you are legally responsible. For the purposes of this definition, treatment of mother and fetus (or fetuses) from conception through postpartum care constitutes a single medical incident, and a continuing course of treatment or repeated exposure to substantially the same general conditions constitutes a single medical incident.

Occurrence means an accident, including continuous or repeated exposure to conditions, which proximately results in injury or property damage, neither expected nor intended from the standpoint of the insured.

Other insurance includes, but is not limited to, coverage or benefits provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, mutual insurance companies, stock insurance companies, risk retention groups, reciprocal exchanges, mutual benefit or assistance programs, or any other plan or agreement of risk assumption, or any other source of indemnification.

Physician means a licensed physician, surgeon or podiatrist.

Physician extenders means certified nurse practitioners, certified nurse midwives, certified registered nurse anesthetists, physicians assistants, psychologists, optometrists and chiropractors.

Policy means the Professional Liability Insurance Policy, the Coverage Summary or Continuation Coverage Summary, the applicable Coverage Part or Parts and any Endorsements to the policy.
**Policyholder** means the person or organization designated as such in the Coverage Summary or Continuation Coverage Summary.

**Policy period** means the date and time when the policy begins and ends as set forth in the Coverage Summary or Continuation Coverage Summary.

**Probable claim event** means a medical incident that is reasonably likely to give rise to a claim.

**Professional services** means providing or failing to provide medical services, including making or failing to make a medical diagnosis.

**Retroactive date**, as specified in the Coverage Summary or Continuation Coverage Summary, means the earliest date on or after which a medical incident would be covered under this policy. No coverage exists for a medical incident that occurred prior to the retroactive date.

**Retire** means you completely withdraw from the practice of medicine.

**Sexual misconduct** means any sexual act, intimacy, assault, molestation, harassment, exploitation, or any treatment, procedure, conduct, or behavior that is considered undue sexual familiarity.

**You and your** means (a) the policyholder; (b) an insured physician; (c) an insured physician extender; (d) an insured organization or (e) any locum tenens employed or engaged by the policyholder while acting within the scope of his or her duties as such, who has been pre-approved by us for specific dates of substitution, not to exceed a total of 45 days during the policy period.

**We, us and our** means Applied Medico-Legal Solutions Risk Retention Group, Inc.

**PHYSICIAN PROFESSIONAL LIABILITY COVERAGE PART**

This coverage applies only if indicated on the Coverage Summary and a premium is shown.

This Coverage Part provides protection against professional liability claims that are brought against you by a patient in your medical practice. The coverage is written on a claims-made basis which means claims that are the result of medical incidents happening on or after the retroactive date stated in the Coverage Summary or Continuation Coverage Summary are covered. The claim must first be made against you and reported to us while this Coverage Part is in effect. We consider a claim to be made on the date you first contact us regarding a medical incident or probable claim event in accordance with Condition M of the policy. No coverage exists for a claim first made against you after the end of the policy period unless, and then only to the extent, an Extended Reporting Period applies as determined in the Conditions section of the policy or the claim arose from a probable claim event that was reported to us during the policy period in accordance with Condition M of the policy.

We will defend any claim brought against you for damages covered under this Coverage Part. We will do this even if the claim is groundless and fraudulent. We will not defend or pay a claim after
the applicable limits of liability of the Coverage Part have been used to pay judgments, settlements or awards.

A. Coverage Agreement

You are covered for injury or damages arising from a medical incident resulting from:

1. Your providing or failure to provide professional services to a patient.

2. Your refusal to treat or to accept a person as a patient, or for wrongful termination, transfer or abandonment of the care and treatment of a patient.

3. Your providing or failure to provide professional services to any injured person at the scene of an accident or emergency and/or failure to provide or arrange for further medical treatment for the injured person.

4. Your providing or failure to provide professional services to anyone for and at the request of a hospital, school, religious entity, non-profit organization, or state or local governmental agency for which neither the requesting entity or organization nor you expect, charge, or receive any compensation.

5. Your service as a member of an insured organization, but that organization is only covered for injury or damages resulting from the providing or withholding of professional services to a patient by you individually. The organization is not protected for acts of any other members or employees of the organization. There will be no coverage under this Coverage Part unless the organization is specifically named on the Coverage Summary or Continuation Coverage Summary. The coverage under this Paragraph 5 does not increase the limits of liability under this Coverage Part. The insured organization shares your individual limits of liability under this Coverage Part. However, if the policy also provides coverage under the Professional Organization Coverage Part, then the insured organization will share the limits of liability provided under the Professional Organization Coverage Part. Insurance provided under this Paragraph 5 is excess of and payable only after all other valid insurance and self-insurance limits of coverage have been exhausted paying settlements and judgments.

6. Your vicarious liability resulting from the providing or failure to provide professional services by your employees, leased employees, loaned employees or authorized volunteer workers (other than physicians and physician extenders) for whose acts you are legally responsible. This coverage is available only while these individuals are acting within the scope of their employment by you. The coverage under this Paragraph 6 does not increase the limits of liability under this Coverage Part. These persons share your individual limits of liability under this Coverage Part. However, if the policy also provides coverage under the Professional Organization Coverage Part, then these individuals will share the limits of liability provided under the Professional Organization Coverage Part. Insurance provided under this Paragraph 6 is excess of
and payable only after all other valid insurance and self-insurance limits of coverage have been exhausted paying settlements and judgments.

7. **Your** vicarious liability resulting from the providing or failure to provide **professional services** by **physicians** or **physician extenders** for whose acts **you** are legally responsible. This coverage is available only when the **physician** or **physician extender** is (A) employed by **you** or the **insured organization**; (B) listed on the Coverage Summary or Coverage Continuation Summary; and (C) individually insured either by **us** or by another company acceptable to **us** and you have furnished proof of such other insurance (in the form of a Certificate of Insurance issued to **us**) with limits of liability acceptable to **us**. The coverage under this Paragraph 7 does not increase the limits of liability under this Coverage Part. These persons share **your** individual limits of liability under this Coverage Part. However, if the policy also provides coverage under the Professional Organization Coverage Part, then these individuals will share the limits of liability provided under the Professional Organization Coverage Part. Insurance provided under this Paragraph 7 is excess of and payable only after all other valid insurance and self-insurance limits of coverage have been exhausted paying settlements and judgments.

8. **Your** vicarious liability for providing or failure to provide **professional services** by medical students and/or residents only when working in **your** medical practice while acting within the scope of a program approved by their educational institution.

9. **Your** service on a formal hospital or professional society board or committee. However, the coverage provided by this Paragraph 9 shall not apply if **you** have other insurance coverage or **you** are covered under a self-insurance plan, indemnity agreement or other agreement providing some form of protection to **you** for these services.

10. **Your** quality assurance activities when performed for the purposes of evaluating and improving the quality of health care services and for patient safety. We will cover **you** when **you** participate as a member, a witness or a clinical practice advisor of a formal credentialing, peer review, or quality assurance board or committee formed by an organization for the purposes of improvement of patient safety or the quality of health care services delivered to patients. Quality assurance activities also include **your** services to an organization that performs (a) utilization review on behalf of **your** patients; or (b) utilization review on behalf of a state or county medical society. However, the coverage provided by this Paragraph 10 shall apply in excess of other insurance coverage provided under a self-insurance plan, indemnity agreement or other agreement providing some form of protection to **you** for these services.

11. **Your** providing or failure to provide **professional services** that results in the personal injury to a patient resulting from false arrest, detention, imprisonment, libel, slander, defamation of character, violation of an individual’s right to privacy, mental anguish, mental shock or humiliation. Personal injury arising out of **sexual misconduct** is not covered. The coverage provided by this Paragraph 11 shall apply in excess of other
insurance coverage provided under a self-insurance plan, indemnity agreement or other agreement providing some form of protection to you for these services.

12. **Your** negligence in placing, or causing to be placed, erroneous medical information in a medical chart or an electronic medical record. **You** also will be covered if you relied upon erroneous medical information in a medical chart or an electronic medical record in providing **professional services**.

13. **Your** wrongful or unauthorized disclosure of patient confidential or privileged medical information to a person or persons who are not otherwise entitled to it.

**B. Limits of Liability**

1. The Per Claim limit of liability stated on the Coverage Summary or Continuation Coverage Summary is the maximum amount we will pay under this Coverage Part for all damages and all claims or causes of action of any kind against all organizations and persons covered by this Coverage Part that have arisen from an event or a series of events. The providing or failure to provide professional services to a patient, even when seen on different occasions and by different persons covered by this Coverage Part, shall be considered as having arisen from a series of events, and only one Per Claim limit of liability shall apply. If more than one person or organization is covered under this Coverage Part, the Per Claim limit of liability will still be the maximum amount we will pay.

2. The Aggregate limit of liability stated on the Coverage Summary is the maximum amount we will pay under this Coverage Part for all damages and all claims or causes of action of any kind arising from claims and probable claim events reported in any single policy period.

3. **Claim expenses** are in addition to the limits of liability.

**C. Additional Benefits**

In addition to the limits of liability:

1. **We** will pay premiums for appeal bonds or to release property that is being used to secure a legal obligation, but only bonds valued up to the limit of liability of the policy. **We** have no obligation to apply for or to furnish the bond.

2. **We** will pay claim expenses, including the interest on that part of any judgment that does not exceed the limit of liability. **We** will pay all reasonable costs incurred at our request to investigate or defend a claim or suit against you.

3. If you become subject to a state or federal regulatory investigation, **we** will pay the costs of defending the investigation up to but not exceeding Twenty-Five Thousand Dollars ($25,000) for any one such investigation and Seventy-Five Thousand Dollars
($75,000) in the annual aggregate for the policy period. We will not pay these costs unless:

a. the investigation is of a civil and not a criminal nature;

b. the investigation is the outcome of injury or damage resulting from a medical incident covered under this policy; and

c. you have informed us of the investigation promptly after you received notice of it and we receive your written notice of the investigation during the policy period.

We will not pay the costs of defending any subsequent or related investigation that is instituted or reopened as a result of your actual or alleged failure to comply with any existing order issued by the regulatory body as part of its initial investigation.

D. Exclusions

We will not defend or pay under this Coverage Part for:

1. Any injury or damages arising from your activities as a proprietor, owner, superintendent, executive officer, director, partner, trustee, agent, shareholder, manager or employee of any other business enterprise not named as an insured organization under this policy.

2. Any liability for injury or damages that you have assumed under a contract or agreement or arising from any allegation of your failure to perform under a contract or breach of any contract or agreement. This exclusion does not apply to liability you assume in a contract with a health maintenance organization, preferred provider organization, independent practice association or any other similar organization, if such liability is attributable to your providing or failure to provide professional services to a patient. Furthermore, this exclusion does not apply to contracts that we have agreed to in writing, in which you assume the liability of others.

3. Any injury or damages arising from the acts or omissions of any physician or physician extender you employ or engage except as specifically provided under Paragraph 7 of Section A of this Coverage Part.

4. Any injury or damages you are liable for while on active duty in the United States Military Service or Reserve or any National Guard Unit.

5. Any injury or damages you are liable for in the event you or someone you instruct fraudulently alters, defaces or falsifies any records.

6. Any injury or damages resulting from your liability arising out of your own sexual misconduct or the sexual misconduct of those for whom you are legally responsible.
This exclusion applies whether the **sexual misconduct** is done under the guise of treatment or otherwise and with or without the consent of the individual. However, **we** will defend any **claim** until such time as there is an admission of such activity, relations or contact or they have otherwise been found to have occurred in **our** reasonable judgment. This exclusion does not apply if any **injury** or **damages** are caused by **sexual misconduct** of employees who are not **physicians** or **physician extenders** if **you** are legally responsible for such employees when the **sexual misconduct** occurs and the **sexual misconduct** occurs without **your** actual or implied knowledge.

7. **Any injury** or **damages** arising out of the designing, manufacturing, promoting, selling, distribution, disposing, altering or dispensing of any product by **you**, or to any person. This exclusion does not apply to dispensing of FDA approved pharmaceuticals or medical appliances to **your** own patients when such dispensing arises out of the rendering of or failure to render **professional services** to a patient.

8. Any liability for **injury** or **damages** resulting from **claims** to which **you** or any entity for which **you** are serving is entitled to sovereign immunity defense or limitation. However, this exclusion does not apply if **you** are not entitled to sovereign immunity defense or limitation.

9. **Any injury** or **damages** arising out of **your** rendering or failing to render **professional services** while **your** license to practice your profession or license to prescribe controlled substances or license to operate a healthcare facility has been suspended, revoked, restricted or voluntarily surrendered.

10. **Any injury** or **damages**:

a. arising out of a **medical incident** that happened either before the **retroactive date** or on or after the **retroactive date** if on the effective date of this **policy** you knew, reasonably should have known or had been told that the **medical incident** would result in a **claim**; or

b. arising out of any **claim** that on the effective date of this **policy** is a reported **medical incident**, a pending **claim** or proceeding; or a paid **claim**; or

c. arising out of a **medical incident** disclosed on **our** application(s) or during the application process.

11. **Any injury** or **damages** resulting from any individual hired or employed by or on behalf of **your** patient.

12. **Any injury** or **damages** arising from any procedure, treatment, course of treatment or diagnosis that is outside the scope of **your** specialty or training.
13. **Claims** by an **insured** against another **insured** except when one party is receiving **professional services** as a patient.

14. Any injury or damages arising from any activities occurring while **you** are employed by a federal, state, county or other governmental entity.

15. Any injury or damages arising out of **your** guarantee of the results of **professional services**.

16. Any injury or damages arising from **professional services** provided by **you** or on **your** behalf which are:

   a. provided outside of the U.S. geographical territory(ies) in which **you** are licensed to practice medicine; or

   b. provided outside of the specific states or territories in which **you** have advised **us** that **you** practice medicine.

This exclusion does not apply to a **medical incident** involving emergency medical treatment.
PROFESSIONAL ORGANIZATION COVERAGE PART

This coverage applies only if indicated on the Coverage Summary and a premium is shown.

This Coverage Part provides protection against professional liability claims that are brought against the Professional Organization shown on the Coverage Summary or Continuation Coverage Summary for damages resulting from the providing of or failure to provide professional services to a patient by a covered person.

For purposes of this Coverage Part, covered person means

a. the policyholder;

b. an employee, leased employee, loaned employee or authorized volunteer worker (other than a physician or physician extender) of the Professional Organization for whose acts the Professional Organization is legally responsible, while acting within the scope of his or her employment by the Professional Organization; and

c. a physician or physician extender for whose acts the Professional Organization is legally responsible, but only when the physician or physician extender is (A) listed on the Coverage Summary or Coverage Continuation Summary; and (B) individually insured either by us or by another company acceptable to us and the policyholder has furnished proof of such other insurance (in the form of a Certificate of Insurance issued to us) with limits of liability acceptable to us. Covered person also includes any locum tenens employed or engaged by the Professional Organization while acting within the scope of his or her duties as such, who has been pre-approved by us for specific dates of substitution, not to exceed a total of 45 days during the policy period.

The coverage is written on a claims-made basis which means claims that are the result of medical incidents happening on or after the retroactive date stated in the Coverage Summary or Continuation Coverage Summary are covered. The claim must first be made against the Professional Organization and reported to us while this Coverage Part is in effect. We consider a claim to be made on the date we are first contacted by the Professional Organization regarding a medical incident or probable claim event in accordance with Condition M of the policy. No coverage exists for claims first made against the Professional Organization after the end of the policy period unless, and then only to the extent, an Extended Reporting Period applies as determined in the Conditions section of the policy or the claim arose from a probable claim event that was reported to us during the policy period in accordance with Condition M of the policy.

We will defend any claim brought for damages covered under this Coverage Part. We will do this even if the claim is groundless and fraudulent. We will not defend or pay a claim after the applicable limit of liability has been used to pay judgments or settlements.
A. Coverage Agreement

The Professional Organization is covered for injury or damages arising from a medical incident resulting from:

1. A covered person’s providing or failure to provide professional services to a patient.

2. A covered person’s refusal to treat or to accept a person as a patient, or for wrongful termination, transfer or abandonment of the care and treatment of a patient.

3. A covered person’s providing or failure to provide professional services to any injured person at the scene of an accident or emergency and/or failure to provide or arrange for further medical treatment for the injured person.

4. A covered person’s providing or failure to provide professional services to anyone for and at the request of a hospital, school, religious entity, non-profit organization, or state or local governmental agency for which neither the requesting entity or organization nor the covered person expects, charges, or receives any compensation.

5. A covered person’s providing or failure to provide professional services that results in the personal injury to a patient resulting from false arrest, detention, imprisonment, libel, slander, defamation of character, violation of an individual’s right to privacy, mental anguish, mental shock or humiliation. Personal injury arising out of sexual misconduct is not covered. The coverage provided by this Paragraph 5 shall apply in excess of other insurance provided to or on behalf of the covered person by another or an agreement providing some form of protection to the covered person for these services.

6. A covered person’s negligence in placing, or causing to be placed, erroneous medical information in a medical chart or an electronic medical record. The covered person also will be covered if the covered person relied upon erroneous medical information in a medical chart or an electronic medical record in providing professional services.

7. A covered person’s wrongful or unauthorized disclosure of patient confidential or privileged medical information to a person or persons who are not otherwise entitled to it.

8. A covered person’s quality assurance activities when performed for the purposes of evaluating and improving the quality of health care services and for patient safety. We will cover the Professional Organization when a covered person participates as a member, a witness or a clinical practice advisor of a formal credentialing, peer review, or quality assurance board or committee formed by an organization for the purposes of improvement of patient safety or the quality of health care services delivered to patients. Quality assurance activities also include a covered person’s services to an organization that performs (a) utilization review on behalf of your patients; or (b) utilization review on behalf of a state or county medical society. However, the
coverage provided by this Paragraph 8 shall apply in excess of other insurance coverage provided under a self insurance plan, indemnity agreement or other agreement providing some form of protection to the covered person for these services.

9. A covered person’s service on a formal hospital or professional society board or committee. However, the coverage provided by this Paragraph 9 shall not apply if the covered person has other insurance coverage or the covered person is covered under a self insurance plan, indemnity agreement or other agreement providing some form of protection to the covered person for these services.

B. Limits of Liability

1. The Per Claim limit of liability stated on the Coverage Summary or Continuation Coverage Summary is the maximum amount we will pay under this Coverage Part for all damages and all claims or causes of action of any kind against the Professional Organization and all covered persons that have arisen from an event or a series of events. The providing or failure to provide professional services to a patient, even when seen on different occasions and by different covered persons, shall be considered having arisen from a series of events, and only one Per Claim limit of liability shall apply. If more than one person or organization is covered under this Coverage Part, the Per Claim limit of liability will still be the maximum amount we will pay.

2. The Aggregate limit of liability stated on the Coverage Summary is the maximum amount we will pay under this Coverage Part for all damages and all claims or causes of action of any kind arising from claims and probable claim events reported in any single policy period.

3. Claim expenses are in addition to the limit of liability.

C. Additional Benefits

In addition to the limits of liability to pay a claim:

1. We will pay premiums for appeal bonds or to release property that is being used to secure a legal obligation, but only bonds valued up to the limit of liability of the policy. We have no obligation to apply for or to furnish the bond.

2. We will pay claim expenses, including the interest on that part of any judgment that does not exceed the limit of liability. We will pay all reasonable costs incurred at our request to investigate or defend a claim or suit against the Professional Organization.
D. Exclusions

We will not defend or pay under this Coverage Part for:

1. Any injury or damages arising from the acts or omissions of a person or entity who is not a covered person.

2. Any injury or damages:
   a. arising out of a medical incident that happened either before the retroactive date or on or after the retroactive date if on the effective date of this policy the covered person, reasonably should have known or had been told that the medical incident would result in a claim; or
   b. arising out of any claim that on the effective date of this policy is a reported medical incident; a pending claim or proceeding; or a paid claim, or
   c. arising out of a medical incident disclosed on our application(s) or during the application process.

3. Any liability for injury or damages resulting from claims as to which a covered person or any entity for which a covered person is serving is entitled to sovereign immunity defense or limitation. However, this exclusion does not apply if the covered person is not entitled to sovereign immunity defense or limitation.

4. Any injury or damages arising out of the sexual misconduct of those for whom the Professional Organization is legally responsible. This exclusion applies whether the sexual misconduct is done under the guise of treatment or otherwise and with or without the consent of the individual. However, we will defend any claim until such time as there is an admission of such activity, relations or contact or they have otherwise been found to have occurred in our reasonable judgment. This exclusion does not apply if any injury or damages are caused by sexual misconduct of employees of the Professional Organization who are not physicians or physician extenders if the Professional Organization is legally responsible for such employees when the sexual misconduct occurs and the sexual misconduct occurs without the Professional Organization’s actual or implied knowledge.

5. Any injury or damages arising out of the designing, manufacturing, promoting, selling, distribution, disposing, altering or dispensing of any product by a covered person, or to any person. This exclusion does not apply to dispensing of FDA approved pharmaceuticals or medical appliances to patients when such dispensing arises out of a covered person’s rendering of or failure to render professional services to a patient.

6. Any injury or damages resulting from any individual hired or employed by or on behalf of a patient of a covered person.
7. Any injury or damages arising from a covered person’s activities as a proprietor, owner, superintendent, executive officer, director, partner, trustee, agent, shareholder, manager or employee of any other business enterprise not named as an insured organization under this policy.

8. Any liability for injury or damages that a covered person has assumed under a contract or agreement or arising from any allegation of a covered person’s failure to perform under a contract or breach of any contract or agreement. This exclusion does not apply to liability a covered person assumes in a contract with a health maintenance organization, preferred provider organization, independent practice association or any other similar organization, if such liability is attributable to a covered person’s providing or failure to provide professional services to a patient. Furthermore, this exclusion does not apply to contracts that we have agreed to in writing, in which a covered person assumes the liability of others.

9. Any injury or damages that the Professional Organization is liable for in the event a covered person or someone a covered person instructs fraudulently alters, defaces or falsifies any records.

10. Any injury or damages arising out of a covered person’s rendering or failing to render professional services while the covered person’s license to practice his or her profession or license to prescribe controlled substances or license to operate a healthcare facility has been suspended, revoked, restricted or voluntarily surrendered.

11. Any injury or damages arising from any procedure, treatment, course of treatment or diagnosis that is outside the scope of a covered person’s specialty or training.

12. Claims by a covered person against another covered person except when one party is receiving professional services as a patient.

13. Any injury or damages arising from any activities occurring while a covered person is employed by a federal, state, county or other governmental entity.

14. Any injury or damages arising out of a covered person’s guarantee of the results of professional services.

15. Any injury or damages arising from professional services provided by a covered person or on behalf of a covered person which are:
   
   a. provided outside of the U.S. geographical territory(ies) in which the covered person is licensed to practice medicine; or
   
   b. provided outside of the specific states or territories in which you have advised us that the covered person practices medicine.
This Exclusion does not apply to a medical incident involving emergency medical treatment.

In witness whereof, Applied Medico-legal Solutions Risk Retention Group, Inc. has caused this Policy to be signed by its President and Secretary at its Home Office.

______________________
Richard B. Welch
President

_________________________
Steven Shapiro, M.D.
Secretary