

PROFESSIONAL LIABILITY, GENERAL LIABILITY AND ADVERTISING LIABILITY CLAIMS MADE AND REPORTED INSURANCE

NOTICE: This is a Claims Made and Reported Policy. Except to such extent as may otherwise be provided herein, the coverage afforded under this insurance policy is limited to those **Claims** which are first made against the **Insured** and reported to the Underwriters during the **Policy Period** or **Extended Reporting Period**, if applicable. **Claims Expenses** are within and reduce the Limit of Liability under this Policy. Certain words and phrases which appear in bold type have special meaning; please refer to Section V., Definitions. Please review the coverage afforded under this insurance policy carefully and discuss the coverage hereunder with your insurance agent or broker.

This Policy only affords coverage under those insuring agreements below that are indicated as purchased in Item 3. of the Declarations. Under no circumstances shall any one **Claim** trigger multiple insuring agreements.

In consideration of the payment of premium and reliance upon the statements, representations and warranties made in the application which is made a part of this insurance policy (hereinafter referred to as the "Policy" or "insurance") and subject to the Limit of Liability, exclusions, conditions and other terms of this insurance, the Underwriters agree with the **Named Insured** (set forth in Item 1. of the Declarations, made a part hereof) as follows:

I. INSURING AGREEMENTS

A. Coverage

1. Professional Liability

The Underwriters will pay on behalf of the **Insured Damages** and **Claims Expenses** which the **Insured** shall become legally obligated to pay because of any **Claim** or **Claims** first made against any **Insured** during the **Policy Period** and reported to the Underwriters during the **Policy Period**, or any applicable **Extended Reporting Period**, arising out of any negligent act, error or omission of the **Insured** in rendering or failing to render **Professional Services** for others, on behalf of the **Named Insured** designated in Item 1. of the Declarations, which occurred on or after the Retroactive Date stated in Item 8. of the Declarations and prior to the end of the **Policy Period**.

2. General Liability and Advertising Liability

The Underwriters will pay on behalf of the **Insured Damages** and **Claims Expenses** which the **Insured** shall become legally obligated to pay or assumed by the **Insured** under contract because of any **Claim** or **Claims** first made against any **Insured** during the **Policy Period** and reported to the Underwriters during the **Policy Period** or any applicable **Extended Reporting Period**, for **Personal Injury**, **Property Damage** or **Advertising Liability** caused by an **Accident** which occurred on or after the Retroactive Date stated in Item 8. of the Declarations and prior to the end of the **Policy Period**.

3. Fire Legal Liability

The Underwriters will pay on behalf of the **Insured Damages** and **Claims Expenses** which the **Insured** shall become legally obligated to pay or assumed by the **Insured** under contract because of any **Claim** or **Claims** first made against any **Insured** during the **Policy Period** or **Extended Reporting Period** (if applicable), and reported in writing to the Underwriters during the **Policy Period** or or any applicable **Extended Reporting Period** for **Property Damage** to the premises, while rented to the **Named Insured**, or temporarily occupied by the **Named Insured** with permission of the owner, arising out of any one fire which occurred on or after the Retroactive Date stated in Item 8. of the Declarations and prior to the end of the **Policy Period**.

This coverage is subject to the sublimit of liability as described in Section VI.B (General Liability Section) and stated in Item 4.2.a.i of the Declarations. Under no circumstances will this coverage be extended to cover First Party **Property Damage** or **Property Damage** to personal property.

B. Defense and Settlement

1. The Underwriters shall have the right and duty to defend the **Insured**, subject to the Limit of Liability, for any **Claim** first made against the **Insured** seeking payment under the terms of this insurance, even if any of the allegations of the **Claim** are groundless, false or fraudulent. The Underwriters shall choose defense counsel in conjunction with the **Insured**, but in the event of a dispute, the decision of the Underwriters is final.
2. It is agreed that the Limit of Liability available to pay **Damages** shall be reduced and may be completely exhausted by payment of **Claims Expenses**.
3. The Underwriters shall have the right to make any investigation they deem necessary, including, without limitation, any investigation with respect to coverage and statements made in the application.
4. If the **Insured** refuses to consent to any settlement or compromise recommended by the Underwriters and acceptable to the Claimant and elects to contest the **Claim**, the Underwriters' liability for any **Damages** and **Claims Expenses** shall not exceed the amount for which the **Claim** could have been settled, plus the **Claims Expenses** incurred up to the time of such refusal, or the applicable Limit of Liability, whichever is less, and the Underwriters shall have the right to withdraw from the defense of the **Claim** by tendering control of said defense to the **Insured**.
5. Subject to the Limit of Liability of this Policy, the Underwriters shall reimburse the **Insured** for all reasonable expenses, other than loss of earnings, incurred at the Underwriters' request.
6. The Underwriters shall not be obligated to pay any **Damages** or **Claims Expenses**, or to undertake or continue defense of any **Claim** after the applicable Limit of Liability has been exhausted by payment of **Damages** or **Claims Expenses** or after deposit of the remaining applicable Limit of Liability

in a court of competent jurisdiction, and that upon such payment, the Underwriters shall have the right to withdraw from the further defense of the **Claim** by tendering control of said defense to the **Insured**.

C. Supplementary Payments

1. Defendant's Reimbursement and Deposition Coverage

Underwriters will pay, with respect to any **Claim** that Underwriters investigate or settle, or any suit against an **Insured** that Underwriters defend:

- a. Actual loss of earnings and reasonable expenses due to the **Insured's** attendance at mediation meetings, arbitration proceedings, hearings and trials. The maximum the Underwriters will pay is \$1,000 per day for all **Insureds** and up to a total of \$35,000 during any one **Policy Period**.
- b. Actual loss of earnings and reasonable expenses due to the **Insured's** attendance at a deposition. The maximum the Underwriters will pay is \$10,000 for each Deposition and up to a total of \$35,000 during any one **Policy Period**.

2. State Licensing defense board coverage

Underwriters will pay up to \$5,000, subject to a \$35,000 aggregate limit during any one **Policy Period**, for fees, costs and expenses associated with each investigation or proceedings brought by a state licensing board or other regulatory body in relation to the **Insured's Professional Services** license.

However, Underwriters will not pay any expenses or fees arising out of or resulting from criminal proceedings.

These supplementary payments will not reduce the limits of liability.

II. PERSONS INSURED

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

- A. if the **Named Insured** designated in Item 1. of the Declarations is an individual, the person so designated but only with respect to the conduct of the business of which he or she is the sole proprietor, and the spouse of the **Named Insured** with respect to the conduct of such a business;
- B. if the **Named Insured** designated in Item 1. of the Declarations is a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his or her liability as such;
- C. if the **Named Insured** designated in Item 1. of the Declarations is other than an individual, partnership or joint venture, the organization so designated and any executive officer, director, stockholder;

- D. any person who previously qualified as an **Insured** under (A), (B) or (C) above prior to the termination of the required relationship with the **Named Insured**, but solely with respect to:
1. **Professional Services** performed on behalf of the **Named Insured** designated in Item 1. of the Declarations, or
 2. an **Accident** arising solely out of the **Named Insured's** operations
- occurring prior to the termination of the required relationship with the **Named Insured**;
- E. the estate, heirs, executor, administrators, assigns and legal representatives of any **Insured** in the event of the **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this Policy; and
- F. an **Additional Insured**, but only as respects the vicarious liability of such individual or entity for **Bodily Injury** caused by negligent acts, errors or omissions of the **Named Insured** otherwise covered under this policy.

This Policy shall not apply to any liability arising out of the conduct of any partnership or joint venture of which the **Insured** is a partner or member and which is not designated in this Policy as a **Named Insured**.

Persons Insured does not include any individual who acts as or any legal entity that employs a physician, surgeon, podiatrist, nurse, anaesthetist, chiropractor, acupuncturist or physical therapist, unless it has been previously agreed by underwriters and such person is specifically listed in the Certificate of Insurance and/or the Declarations, and solely with respect to **Professional Services** as defined in Section V – Definitions.

III. TERRITORY

This insurance applies to any **Claims** made and negligent acts, errors, omissions or **Accidents** which take place anywhere in the world.

IV. EXCLUSIONS

1. Exclusions applicable to Insuring Agreement I.A.1, Professional Liability

The coverage under this Policy does not apply to **Damages** or **Claims Expenses** incurred with respect:

- (a) to any **Claim** arising out of **Personal Injury, Property Damage** or **Advertising Liability**, except with respect to **Bodily Injury** arising out of any negligent act, error or omission of any **Insured** in the rendering or failing to render **Professional Services**;
- (b) to any **Claim** arising out of any criminal, dishonest, fraudulent or malicious act, error or omission of any **Insured**, committed with actual criminal, dishonest, fraudulent or malicious purpose or intent. However, notwithstanding the

foregoing, the insurance afforded by this Policy shall apply to **Claims Expenses** incurred in defending any such **Claim**, but shall not apply to any **Damages** which the **Insured** might become legally obligated to pay;

- (c) to any **Claim** arising out of or relating to any liability under any contract or agreement, whether written or oral, unless such liability would have attached to the **Insured** in the absence of such contract or agreement;
- (d) to any **Claim** based upon an express or implied warranty or guarantee, or breach of contract in respect of any agreement to perform work for a fee;
- (e) to any **Claim** arising out of any **Insured's** activities as a trustee, partner, officer, director or **Employee** of any trust, charitable organization, corporation, company or business other than that of the **Named Insured**;
- (f) to any **Claim** arising out of failure to pay any bond, interest on any bond, any debt, financial guarantee or debenture;
- (g) to any **Claim** arising out of any financial or investment advice given, referrals, warranties, guarantees or predictions of future performance made by any **Insured** as regards specific and identifiable investment items including but not limited to personal property, real property, stocks, bonds or securities;
- (h) to any **Claim** arising out of the actual or alleged publication or utterance of libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's right to privacy;
- (i) to any **Claim** arising out of any negligent act, error or omission of any **Insured** in the rendering or failing to render **Professional Services**, if the **Insured** did not hold a valid license or certificate at the time of the performance of the **Professional Services**, except as provided for in Section XXV., Licensure.
- (j) to any **Claim** arising out of any negligent act, error or omission of any **Insured** in the rendering or failing to render **Professional Services** to **Professional Athletes**.

2. Exclusions applicable to Insuring Agreement I.A.2, General Liability and Advertising Liability and Insuring Agreement I.A.3, Fire Legal Liability.

The coverage under this Policy does not apply to **Damages** or **Claims Expenses** incurred with respect:

- (a) to any **Claim** arising out of the rendering of or failure to render **Professional Services** by any **Insured** or by any person or organization for whose acts or omissions the **Named Insured** is legally responsible;
- (b) to any **Claim** arising out of **Personal Injury** or **Property Damage** resulting from the use of force expected or intended from the standpoint of the **Insured**;
- (c) to any **Claim** for liability arising out of **Personal Injury** or **Property Damage** arising out of ownership, maintenance, operation, use, loading or unloading of:

- (1) any **Automobile**, Aircraft or Watercraft owned or operated by or rented or loaned to any **Insured**; or
 - (2) any other **Automobile**, Aircraft or Watercraft operated by any person in the course of his or her employment or volunteer duties for any **Insured**;
- (d) to any **Claim** arising out of **Personal Injury** or **Property Damage** arising out of:
- (1) the ownership, maintenance, operation, use, loading or unloading of any **Mobile Equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for such contest or activity; or
 - (2) the operation or use of any snowmobile, moped or motorized bicycle, or trailer designed for use therewith;
- (e) to any **Claim** for **Personal Injury** or **Property Damage** arising out of and in the course of the transportation of **Mobile Equipment** by any **Automobile** owned or operated by or rented or loaned to any **Insured**;
- (f) to any **Claim** arising out of **Personal Injury**, **Property Damage** or **Advertising Liability** for which the **Insured** or his or her indemnitee may be held liable:
- (1) as a person or organization engaged in the business of manufacturing, distributing, selling, or serving alcoholic beverages; or
 - (2) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage;
 - (3) causing or contributing to the intoxication of any person.
- (g) to any **Claim** arising out of **Personal Injury** to:
- (1) any **Employee** or volunteer of the **Named Insured** arising out of and in the course of his employment or retention by the **Named Insured**; or
 - (2) the spouse, child, parent, brother or sister of the **Employee** as a consequence of above. This exclusion applies:
 - (i) whether the **Insured** may be liable as an employer or in any other capacity; and
 - (ii) to any obligation to share **Damages** with or repay someone else who must pay **Damages** arising out of such liability;
- (h) to any **Claim** arising out of **Property Damage** to:

- (1) property owned, rented or temporarily occupied by the **Insured** with permission of the owner, including fixtures permanently attached thereto, any costs or expenses incurred by the **Insured**, or any other person, organization, entity for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) premises given away, sold or abandoned by the **Insured**;
- (3) property loaned to the **Insured**;
- (4) personal property in the care, custody and control of the **Insured**;
- (5) that particular part of real property on which the **Insured** or any contractors or subcontractors working directly or indirectly on behalf of the **Insured** or temporarily occupied by the **Insured** as to premises rented to the **Insured** or temporarily occupied by the **Insured** with permission of the owner if such **Property Damage** arises out of those operations;
- (6) that particular part of any property that must be restored, repaired or replaced because the **Insured's** work was incorrectly performed on it.

Paragraph (1) of this exclusion does not apply to **Property Damage** to premises rented to the **Insured** or temporarily occupied by the **Insured** with permission of the owner, if such **Property Damage** arises out of fire covered under Insuring Agreement I.A.3., (Fire Legal Liability) and subject to the sublimits of liability as described in Section VI.B. (General Liability Section) of this Policy and stated in Item 4.2.a.i of the Declarations.

Paragraph (2) of this exclusion does not apply if the premises are the **Insured's** work and were never occupied, rented or held for rental by the **Insured**.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

- (i) to any **Claim** arising out of **Property Damage** to premises owned or alienated by the **Named Insured** arising out of such premises or any part thereof;
- (j) to any **Claim** arising out of loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - (1) a delay in or lack of performance by or on behalf of the **Named Insured** of any contract or agreement; or
 - (2) the failure of the **Named Insured's Products** or work performed by or on behalf of the **Named Insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **Named Insured**;

but this Exclusion does not apply to loss of use of the other tangible property resulting from the sudden and accidental injury to or destruction of the **Named Insured's Products** or work performed by or on behalf of the **Named Insured**

after such products or work have been put to use by any person or organization other than the **Insured**;

- (k) to any **Claim** arising out of **Property Damage** to the **Named Insured's Products**, or for the cost of inspecting, repairing or replacing any defective or allegedly defective product or part thereof or for loss of use of any defective or allegedly defective product;
- (l) to any **Claim** arising out of **Property Damage** to work performed by or on behalf of the **Named Insured** arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (m) to any **Claim** arising out of the withdrawal, recall, inspection, repair, replacement or loss of use of the **Named Insured's Products** or work completed by or for the **Named Insured** or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- (n) to any **Claim** relating to **Advertising Liability** arising out of:
 - (1) failure of performance of contract; provided, however, that this Exclusion shall not apply to the unauthorized appropriation of ideas based upon alleged breach of an implied contract;
 - (2) infringement of patent, trademark, service mark, and trade name, other than titles or slogans by use thereof on or in connection with goods, products or services sold, offered for sale or advertised; or
 - (3) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

3. Exclusions applicable to all Insuring Agreements.

The coverage under this Policy does not apply to **Damages** or **Claims Expenses** incurred with respect:

- (a) to any **Claim** made by or against or in connection with any business enterprise (including the ownership, maintenance or care of any property in connection therewith), not named in the Declarations, which is owned by any **Insured** or in which any **Insured** is a trustee, partner, officer, director or **Employee**;
- (b) to any **Claim** arising out of the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto;
- (c) to any **Claim** or circumstance which might lead to a **Claim** in respect of which any **Insured** has given notice to any insurer of any other policy or self-insurance in force prior to the effective date of this Policy;
- (d) to any **Claim** or circumstance which might lead to a **Claim** known to any **Insured** prior to the inception of this Policy and not disclosed to the Underwriters at inception;

- (e) to any **Claim** or circumstance that might lead to a **Claim** arising out of any negligent act, error or omission or **Accident** which first took place, or is alleged to have taken place, prior to the Retroactive Date as set forth in Item 7. of the Declarations;
- (f) to any **Claim** arising out of discrimination including but not limited to discriminatory employment practices, allegations of actual or alleged violations of civil rights or acts of discrimination based entirely or in part on the race, gender, pregnancy, national origin, religion, age or sexual orientation;
- (g) to any **Claim** directly or indirectly arising out of:
 - (1) the actual, alleged or threatened discharge, dispersal, release or escape or failure to detect the presence of **Pollutants**, provided that this Exclusion shall not apply to: (i) **Personal Injury** sustained by any patient, visitor or invitee; and (ii) **Personal Injury** or **Property Damage** arising out of heat, smoke or fumes from a **Hostile Fire**;
 - (2) the manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, exposure to or testing for **Pollutants** contained in a product, carried on clothing, inhaled, transmitted in any fashion or found in any form whatsoever; or
 - (3) any governmental or regulatory directive or request that the **Insured** or anyone acting under its direction or control to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize said **Pollutants**;
- (h) to any **Claim** arising out of the insolvency or bankruptcy of any **Insured** or of any other entity including but not limited to the failure, inability, or unwillingness to pay **Claims**, losses or benefits due to the insolvency, liquidation or bankruptcy of any such individual entity;
- (i) to any **Claim** arising out of or resulting from:
 - (1) any conduct, physical act, gesture, or spoken or written words of a sexual or physically violent nature by any **Insured**, including but not limited to, sexual intimacy (whether or not consensual), sexual molestation, sexual or physical assault or battery, sexual or physical abuse, sexual harassment or exploitation; or
 - (2) the **Insured's** actual or alleged negligent employment, investigation, supervision, hiring, training or retention of any **Employee, Insured** or person for whom the **Insured** is legally responsible and whose conduct falls within paragraph (1), above.

However, this exclusion does not apply to:

1. Any specific individual **Insured** who allegedly committed such misconduct, unless it is judicially determined that the individual **Insured** committed the misconduct. If it is judicially determined that the individual **Insured** committed

the misconduct, the Underwriters will not pay **Damages** or **Claims Expenses**.

2. The **Named Insured**, unless the **Named Insured**:

- i. knew or should have known about the misconduct allegedly committed by the individual **Insured**; or
- ii. knew or should have known that the individual **Insured** who allegedly committed the misconduct had a prior history of sexual or physical misconduct.

Underwriters will defend **Claims** alleging such misconduct until final adjudication. If there is a final adjudication against any individual **Insured** or the **Named Insured**, or admission by any individual **Insured** or the **Named Insured** establishing such conduct, the **Named Insured** and/or individual **Insured** shall reimburse the Underwriters for all **Claims Expenses** incurred defending the **Claims** and Underwriters shall have no further liability for **Claims Expenses**.

Coverage provided above does not apply to **Damages** or **Claims Expenses** incurred with respect to any **Claim** arising out of any misconduct suffered by any employee of the **Named Insured** or volunteer workers.

- (j) to any **Claim** for punitive or exemplary **Damages**, or **Damages** which are a multiple of compensatory **Damages**, fines, sanctions, taxes or penalties, or the return of or reimbursement for fees, costs or expenses charged by any **Insured**;
- (k) to any **Claim** arising out of **Personal Injury** to any **Employee** or volunteer worker of the **Insured** arising out of and in the course of his employment by the **Insured**, or under any obligation for which the **Insured** or any carrier as his insurer may be liable, under any Workers' Compensation, Unemployment Compensation, Disability Benefits Law or under any similar law;
- (l) to any **Claim** based upon or arising out of a violation or alleged violation of the Securities Act of 1933 as amended, or the Securities Exchange Act of 1934 as amended, or any State Blue Sky or securities law or similar state or Federal statute and any regulation or order issued pursuant to any of the foregoing statutes;
- (m) to any **Claim** or actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. §1961 et seq., and any amendments thereto, or any rules or regulations promulgated thereunder;
- (n) to any **Claim** arising from costs of complying with physical modifications to any premises or any changes to the **Insured's** usual business operations mandated by the Americans with Disabilities Act of 1990, including any amendments, or similar federal, state or local law;
- (o) to any **Claim** caused directly or indirectly, in whole or in part, by:
 - (1) any fungus(es) or spore(s);

- (2) any substance, vapour or gas produced by or arising out of any fungus(es) or spore(s);
- (3) any materials, product, building component, building or structure that contains, harbours, nurtures or acts as a medium for any fungus(es) or spore(s);
- (4) any materials, product, building component, building or structure that contains, harbors, nurtures or acts as a medium for any fungus(es) or spore(s);
- (5) the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungus(es), molds, spore(s) or mycotoxins of any kind;
- (6) any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungus(es), molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungus(es), molds, spore(s) or mycotoxins; or
- (7) any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungus(es), molds, spores or mycotoxins of any kind.

regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that injury or **Damages**.

For the purposes of this Exclusion, the following Definitions are added:

“Fungus(es)” includes, but is not limited to, any form of mold, mushroom or mildew.

“Spore(s)” mean any reproductive body produced by or arising out of any fungus(es).

This Exclusion shall not apply to **Claims** arising from medical research activities that would otherwise be covered hereunder;

- (p) to any **Claim** based upon or arising out of any action or proceeding brought by or on behalf of any federal, state or local governmental, regulatory or administrative agency, regardless of the name in which such action or proceeding is brought, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996, the Social Security Act, 42 U.S.C. §1320a, et. seq., or similar state or federal statute, regulation or executive order promulgated thereunder;
- (q) to any **Claim** based upon or arising out of any **Insured’s** data processing, including:

- (1) conversion of data from source material into media for processing on the **Insured's** electronic data processing system;
- (2) processing of data by the **Insured** on the **Insured's** electronic data processing system;
- (3) design or formulation of an electronic data processing program or system;
- (4) any liability arising from:
 - (i) the failure of any program, instruction or data for use in any computer or other electronic processing device, equipment or system to function in the manner expected or intended;
 - (ii) the transmission or receipt of any virus, program or code that causes loss or damages to any computer system and /or prevents or impairs its proper function or performance;
 - (iii) unauthorized access to any computer system;
 - (iv) the functioning, non-functioning, improperly functioning, availability or unavailability of:
 - (a) the internet or similar facility; or
 - (b) any intranet or private network or similar facility; or
 - (c) any website, bulletin board, chat room, search engine, portal or similar third party application service;
 - (v) the alteration, corruption, destruction, distortion, erasure, theft or other loss of or damage to data, software, information repository, microchip, integrated system or similar device in any computer equipment or non-computer equipment or any kind of programming or instruction set;
 - (vi) any loss of use or functionality, whether partial or entire, of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic and any ensuing inability or failure of any insured to conduct business;
 - (vii) any alteration, breach, corruption, destruction, or failure of any computer, network systems or firewalls;
 - (viii) theft, loss, or unauthorized disclosure or access to personally identifiable information including non-public personal information, medical or healthcare information (including protected health information) in the care, custody or control of the **Insured** or a third party for whose such unauthorized disclosure or access the **Insured** is legally liable, or violation of a privacy law protecting such

information, including any consequential liability (including any failure to comply with any legislation requiring monitoring or notification to any person affected by any of the above, or in respect of any related regulatory proceeding or investigation); or

- (ix) theft, loss, or unauthorized disclosure or access to information emanating from a third party that the **Insured** is required by agreement to maintain confidential;
- (r) to any **Claim** for **Personal Injury, Property Damage or Advertising Liability** based upon or arising out of the **Named Insured's Products**;
- (s) to any **Claim** based upon the manufacture, handling, sale or distribution of Phenylpropanolamine, Phenylpropanolamine Hydrochloride, PPA or any product or drug containing any of these substances;
- (t) to any **Claim** based on the willful non-compliance of any **Insured** with any Food and Drug Administration (FDA) rules, regulations, and statutes found at Food and Drugs, 21 C.F.R. Chapter 1 § 1.1 to § 1299, as amended and revised, or treating a patient with any drugs, medical devices, biologics or radiation-emitting products that have been disapproved or not yet approved by the FDA;
- (u) to any **Claim** based upon or arising out of any **Insured** gaining any profit, remuneration or advantage to which such **Insured** was not legally entitled;
- (v) to any **Claim** against any subsidiary designated in the Declarations or its past, present, or future **Employees**, directors, officers, trustees, review board or committee members, or volunteers acting in his or her capacity as such, which are based upon, arise out of, directly or indirectly result from, are in consequence of, or in any way involve any fact, circumstance, situation, transaction, event, **Accident**, or negligent acts, errors or omissions or series of facts, circumstances, situations, transactions, events, **Accidents** or negligent acts, errors or omissions happening before the date such entity became a subsidiary;
- (w) to any **Claim** arising directly out of, or resulting from or in consequence of, or in any way involving:
 - (1) asbestos or any materials containing asbestos in whatever form or quantity;
 - (2) the actual, potential, alleged or threatened presence, release or dispersal of any asbestos;
 - (3) any action taken by any party in response to the actual, potential or threatened presence, release or dispersal of any asbestos particles of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such materials containing asbestos;
 - (4) any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened presence, release or dispersal of any asbestos containing particles of any kind;

- (5) any product, substance or waste which contains lead;
- (6) inhaling, ingesting or physical exposure to silica directly or through any goods, products, structures, real estate or land containing silica;
- (7) the use or presence of silica in any process or operation of any type, including but not limited to construction, manufacturing, sandblasting, cleaning, drilling, farming or mining;
- (8) the use or presence of silica in any goods, products, structures, real estate or land, or any component part of any good, product, structures, real estate or land containing silica;
- (9) the manufacture, sale, transportation, handling, storage, or disposal of silica or any goods, products, structures, real estate or land containing silica;
- (10) disease actually or allegedly caused by, contributed to or aggravated by silica, including but not limited to silicosis, chronic silicosis, accelerated silicosis, acute silicosis, conglomerate silicosis, any auto-immune disorder, tuberculosis, silicoproteinosis; cancer, scleroderma, emphysema, pneumoconiosis, pulmonary fibrosis, progressive massive fibrosis, any lung disease or any other ailment actually or allegedly caused by, contributed to or aggravated by silica;
- (11) any costs of medical or other testing, monitoring or diagnosis arising from or related to any actual, alleged, threatened or feared disease or injury, including any emotional or mental distress, arising in whole or in part, directly or indirectly, out of silica; or
- (12) any cost of investigations, feasibility studies, cleaning, removal or remediation of the actual or alleged presence of silica in or on any goods, products, structures, real estate or land;

For the purposes of this Exclusion, "silica" means any silica in the form of and any of its derivatives, including but not limited to silica dust, silicon dioxide (SiO₂), crystalline silica, quartz, or non-crystalline (amorphous silica);

- (x) to any **Claim** associated with implementation of any compliance program or any policies, procedures or practices relating to participation as a provider of medical services to a managed care organization or under a healthcare benefit program, whether initiated voluntarily or pursuant to direction by, order of, or in settlement with a government body, hospital, healthcare facility or managed care organization;
- (y) to any **Claim** based upon or arising out of any actual or alleged violation of any federal, state, or local anti-trust, restraint of trade, unfair competition, or price fixing law, unfair or deceptive trade practices, or consumer protection any rules or regulations promulgated thereunder; to the extent a **Claim** alleges both professional negligence and any of the above excluded enumerated offenses, Underwriters and the **Insured** will use their best efforts to reach a fair allocation between covered and uncovered **Damages**;
- (z) to any **Claim** based upon, arising out of, resulting from, any actual or alleged: (1) failure to obtain, effect, or maintain any form, policy, plan or program of

insurance, stop loss or provider excess coverage, reinsurance, self-insurance, suretyship, or bond; (2) commingling, mishandling of or liability to pay, collect or safeguard funds; or (3) failure to collect or pay premiums, commissions, brokerage charges, fees or taxes;

- (aa) to any **Claim** for **Personal Injury, Property Damage or Advertising Liability** due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing;
- (ab) to any **Claim** arising out of or relating to any loss, damage, or cost or expense of whatsoever nature directly or indirectly caused by, resulting from happening through, arising out of or in connection with any act of terrorism, regardless of any other cause contributing concurrently or in any other sequence to the loss, damage, cost or expense.

For the purpose of this Exclusion, terrorism means an act or threat of violence or an act harmful to human life, tangible or intangible property or infrastructure with the intention or effect to influence any government or to put the public or any section of the public in fear. In any action, suit or other proceedings where the Underwriters allege that by reason of this Exclusion, a loss, damage, cost or expense is not covered by this Policy, the burden of proving that such loss, damage, cost or expense is covered shall be upon the **Insured**.

In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect;

- (ac) to any **Claim** brought against any **Insured** by any other **Insured** hereunder;
- (ad) to any **Claim** arising out of or resulting from the distribution of unsolicited email, direct mail or facsimiles, or telemarketing;
- (ae) to any **Claim** arising out of or resulting from any action or omission that violates or is alleged to violate:
 - (1) the Telephone Consumer Protection Act (TCPA);
 - (2) the CAN-SPAM Act of 2003;
 - (3) the Fair Credit Reporting Act; or
 - (4) any statute, ordinance or regulation, other than TCPA, CAN-SPAM Act of 2003 or the Fair Credit Reporting Act, that prohibits or limits the sending, transmitting, communicating or distribution of material or information;
- (af) to any **Claim** arising out of or resulting from the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person, or the environment, or that affects the value, marketability, condition or size of any property, provided this Exclusion shall not apply to any patient receiving **Professional Services**.

- (ag) to any **Claim** arising out of the failure of any **Insured** to diagnose or treat any condition, disease or injury or to refer a client to any healthcare provider for treatment of any condition, disease or injury.
- (ah) to any **Claim** arising out of medical professional malpractice including but not limited to the rendering or failing to render medical professional services, treatment or advice.
- (ai) to any **Claim** arising out of the performance of any procedure involving the cutting or penetration of human tissue.
- (aj) to any **Claim** arising out of a procedure performed by any **Insured** that is outside the legal scope of practice in the State(s) stated in the Evidence of Insurance and/or Declarations.
- (ak) to any **Claim** arising out of the participation on a peer review committee, including, but not limited to, peer review committees of a hospital, trade association, or standards review organization.
- (al) to any **Claim** arising out of any liability of the **Named Insured** as a proprietor, medical director, superintendent, administrator, or executive officer of any hospital, sanitarium, surgicenter, clinic with bed and board facilities, skilled nursing facility, convalescent hospital, laboratory or any other similar business enterprise.
- (am) to any **Claim** arising out of or resulting from or in relation to any person who has ever been a research subject of the **Named Insured** or who was ever solicited to be a research subject of the **Named Insured**.
- (an) to any **Claim** arising out of any acts, error or omissions by any **Insured** while employed by the United States Government or any other governmental or public entity.
- (ao) to any **Claim** arising out of a counter-claim by a person who was sued for fees. Collection suits triggering this exclusion include, but are not limited to, those collections suits filed by a collection agency. Any **Claim** made subsequent to a collection suit shall be presumed to be in response to the collection suit and to be in the nature of a counter-claim and, therefore, shall be within this exclusion.
- (ap) to any **Claim** against any **Insured** that involves, among others, any health care practitioner with whom any **Insured** currently or in the future 1) is in partnership, 2) has an employment relationship, 3) has an independent contractor relationship or 4) shares office space
- (aq) to any **Claim** arising from a service rendered, or which should have been rendered and was not, while any **Insured** or its employee or agent is under the influence of intoxicants, narcotics or drugs;
- (ar) to any **Claim** arising out of any actual or alleged act, error or omission in the rendering or failing to render pharmacy services, including the manufacture, sale,

distribution, use, administration, prescription, handling or resale of any pharmaceuticals or drugs, whether on a wholesale, retail, over-the-counter or illegal basis;

- (as) to any **Claim** arising out of or resulting from an electronic chatroom or bulletin board any **Insured** hosts, owns or which the **Insured** exercises control;
- (at) to any **Claim** arising out of or resulting from any oral or written publication of material, if done by or at the direction of the Insured with the knowledge of its falsity;
- (au) to any **Claim** arising out of actual or alleged plagiarism, misappropriation of likeness, breach of confidence, or misappropriation or infringement of any intellectual property right, including patent, trademark, trade secret, trade dress and copyright; unless specifically covered under Insuring Agreement I.A.2 (Advertising Liability).

V. DEFINITIONS

Wherever used in this Policy, the bolded terms have the meaning provided:

- (a) **“Accident”** means an event or happening, including continuous or repeated exposure to substantially the same general harmful conditions, which involves one or more persons or entities, and which results in **Personal Injury, Property Damage or Advertising Liability** to such persons or entities.
- (b) **“Additional Insured”** means:
 - (1) any natural person or entity that the **Named Insured** has expressly agreed in writing to add as an **Additional Insured** under this policy in the Certificate of Insurance provided by Underwriters prior to the commission of any act for which such person or entity would be provided coverage for under this Policy, but only to the extent the **Named Insured** would have been liable and coverage would have been afforded under the terms and conditions of this Policy had such **Claim** been made against the **Named Insured**; and
 - (2) any other person or entity added as an **Additional Insured** by endorsement to this Policy.
- (c) **“Advertising Liability”** means injury arising out of one or more of the following, committed in the course of the **Insured’s** advertising activities:
 - (1) libel, slander or defamation;
 - (2) infringement of copyright, title slogan, trade dress, or advertising idea;
 - (3) piracy or idea misappropriation under an implied contract; or
 - (4) invasion of right of privacy, subject always to Exclusion IV.3.q.

- (d) **“Automobile”** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include **Mobile Equipment**, as hereinafter defined.
 - (e) **“Bodily Injury”** means physical injury (including death at any time resulting therefrom), mental injury, mental illness, mental anguish, humiliation, emotional upset, shock, sickness, disease or disability.
 - (f) **“Claim”** means a written notice received by any **Insured** of an intention to hold the **Insured** responsible for compensation for **Damages**, including the service of suit or institution of arbitration proceedings against the **Insured**.
 - (g) **“Claims Expenses”** means:
 - (1) reasonable and customary fees charged by an attorney(s) designated and agreed by the Underwriters in consultation with the **Insured**, but subject always to the Underwriters’ final decision; and
 - (2) all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, if incurred by the Underwriters, or by the **Insured** with the written consent of the Underwriters.
- Claims Expenses** does not include any salary, overhead or other charges by the **Insured** for any time spent in co-operating in the defense and investigation of any **Claim** or circumstance which might lead to a **Claim** notified under this insurance.
- (h) **“Damages”** means a civil monetary judgment, award or settlement and does not include:
 - (1) the restitution of compensation and expenses paid to the **Insured** for services and goods; and
 - (2) judgments or awards deemed uninsurable by law.
 - (i) **“Employee”** means a person on the **Insured’s** regular payroll, with federal and, if applicable, state taxes withheld, whose work is directed or controlled by the **Insured**, including part-time and seasonal **Employees** and leased workers. **Employee** does not include a temporary worker.
 - (j) **“Extended Reporting Period”**, if applicable, means the period of time after the end of the **Policy Period** for reporting **Claims**, arising out of negligent acts, errors or omissions or **Accidents** which take place prior to the end of the **Policy Period** but subsequent to the Retroactive Date identified in Item 8. of the Declarations.
 - (k) **“Hostile Fire”** means a fire which becomes uncontrollable or breaks out from where it was intended to be.

- (l) **“Mobile Equipment”** means a land vehicle (including any attached machinery or apparatus) whether or not self-propelled:
- (1) not subject to motor vehicle registration;
 - (2) maintained for use exclusively on premises owned by or rented to the **Named Insured**, including the ways immediately adjoining;
 - (3) designed for use principally off public roads; or
 - (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle:
 - (i) power cranes, shovels, loaders, diggers and drills;
 - (ii) concrete mixers (other than the mix-in-transit type), graders, scrapers, rollers and on the road construction or repair equipment;
 - (iii) air-compressors, pumps and generators including spraying, welding and building cleaning equipment; or
 - (iv) geophysical exploration and well servicing equipment.
- (m) **“Named Insured”** means the individual practitioner or legal entity identified in Item 1 of the Declarations, which is a member of the Master Policyholder identified in the Declarations and that has purchased covered under this Master Policy.
- (n) **“Named Insured’s Products”** means goods or products manufactured, sold, handled or distributed by the **Named Insured** or by others trading under its name, including any container thereof (other than a vehicle) but shall not include a vending machine or any property, other than such container rented to or located for use of others but not sold.
- (o) **“Personal Injury”** means:
- (1) **Bodily Injury**;
 - (2) false arrest, false imprisonment, wrongful eviction, detention or malicious prosecution;
 - (3) libel, slander, defamation of character or invasion of right of privacy, unless arising out any advertising activities; or
 - (4) wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.
- (p) **“Policy Period”** means the period of time between the inception date and the effective date of termination, expiration or cancellation of this insurance shown in

Item 2. of the Declarations and specifically excludes any **Extended Reporting Period**.

- (q) **“Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to asbestos and/or lead (or products containing asbestos and/or lead whether or not the asbestos and/or lead is or was at any time airborne as a fibre or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion or found in any form whatsoever), smoke, vapour, soot fumes, acids, alkalis, toxic chemicals and waste (waste includes materials to be recycled, reconditioned or reclaimed).
- (r) **“Professional Athlete”** means an individual or group(s) of individuals who have been paid \$25,000 or more per year in the past 36 months, or is likely to be paid \$25,000 or more in the future, from a professional sports organization, club or team for the performance of athletic activities.
- (s) **“Professional Services”** means those professional services specifically identified in Item 14. of the Declarations.
- (t) **“Property Damage”** means:
 - (1) physical injury to or destruction of tangible property, including consequential loss of use thereof; or
 - (2) loss of use of tangible property which has not been physically injured or destroyed.

VI. LIMIT OF LIABILITY

A. Professional Liability Section

1. The Limit of Liability stated in Item 4.1.a. of the Declarations as **“Each Claim”** is the Underwriters’ Limit of Liability payable under Insuring Agreement I.A.1, (Professional Liability).
2. The sublimit of liability stated in Item 4.1.a.i of the Declarations as **“Each Claim”** is the Underwriters’ sublimit of liability payable for Sexual/Physical Misconduct coverage under Insuring Agreement I.A.1, (Professional Liability).
3. The Limit of Liability stated in Item 4.1.b of the Declarations is the aggregate Limit of Liability payable under Insuring Agreement I.A.1, (Professional Liability).
4. The sublimit of liability stated in Item 4.1.b.i of the Declarations is the aggregate sublimit of liability payable for Sexual/Physical Misconduct coverage under Insuring Agreement I.A.1, (Professional Liability).

B. General Liability Section

1. The Limit of Liability stated in Item 4.2.a. of the Declarations as **“Each Claim”** is the Underwriters’ Limit of Liability payable under Insuring Agreement I.A.2., (General Liability and Advertising Liability), and Insuring Agreement I.A.3., (Fire Legal Liability).

2. The sublimit of liability stated in Item 4.2.a.i. of the Declarations as “Each **Claim**” is the Underwriters’ sublimit of liability payable under Insuring Agreement I.A.3., (Fire Legal Liability).
3. The Limit of Liability stated in Item 4.3.b. of the Declarations is the aggregate Limit of Liability payable under Insuring Agreement I.A.2., (General and Advertising Liability), and Insuring Agreement I.A.3., (Fire Legal Liability),

C. Policy Aggregate Limit of Liability

The Limit of Liability stated in Item 4.3. of the Declarations is the Policy Aggregate Limit of the Underwriters’ liability for all **Damages** and **Claims Expenses** payable under this Policy.

- D. Neither the inclusion of more than one **Insured** under this Policy, nor the making of **Claims** by more than one person or entity shall increase the Limit of Liability.
- E. The Limits of Liability stated in paragraphs A and B above shall apply separately to each Section. The Limits of Liability stated in paragraphs A and B above are part of, and not in addition to, the overall Policy Aggregate Limit of Liability stated in Item 4.3. of the Declarations. Under no circumstances shall any one **Claim** trigger multiple sections.
- F. The Limit of Liability for any **Extended Reporting Period** shall be part of, and not in addition to, the Underwriters’ Limit of Liability for the **Policy Period**.

VII. INNOCENT INSURED

Whenever coverage under this insurance would be excluded, suspended or lost:

- A. because of Exclusion IV 1. (b) or Exclusion IV 2. (b) relating to intentional, criminal, dishonest, fraudulent or malicious acts, errors or omissions by any **Insured**, and with respect to which any other **Insured** did not personally participate or personally acquiesce or remain passive after having personal knowledge thereof; or
- B. because of non-compliance with any condition relating to the giving of notice to the Underwriters with respect to which any other **Insured** shall be in default solely because of the failure to give such notice or concealment of such failure by one or more **Insureds** responsible for the loss or damage otherwise covered hereunder;

the Underwriters agree that such insurance as would otherwise be afforded under this Policy shall be paid with respect to those **Insureds** who did not personally participate in committing or personally acquiesce in or remain passive after having personal knowledge of (a) one or more of the acts, errors or omissions described in any such exclusion; or (b) such failure to give notice, provided that the condition be one with which such **Insured** can comply, and after receiving knowledge thereof, the **Insured** entitled to the benefit of Section VII. shall comply with such condition promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

With respect to this provision, the Underwriters' obligation to pay in such event shall be in excess of the full extent of any assets of any **Insured** to whom the exclusion applies and shall be subject to the terms, conditions and limitations of this Policy.

VIII. EXTENDED REPORTING PERIOD

- A. In the event of cancellation or non-renewal of this insurance, the **Named Insured** designated in Item 1. of the Declarations shall have the right to an **Extended Reporting Period** identified in Item 6. of the Declarations for **Claims** first made against any **Insured** and reported to the Underwriters during the **Extended Reporting Period**, subject to the conditions set forth in the definition of **Extended Reporting Period** herein. In order for the **Named Insured** to invoke the **Extended Reporting Period** option, the payment of the additional premium set forth in Item 6. of the Declarations for the **Extended Reporting Period** must be paid to the Underwriters within 30 days of the non-renewal or cancellation.
- B. The Limit of Liability for the **Extended Reporting Period** shall be part of, and not in addition to, the Underwriters' Limit of Liability for the **Policy Period**.
- C. The quotation by the Underwriters of a different premium or Limit of Liability or changes in Policy language for the purpose of renewal shall not constitute a refusal to renew by the Underwriters.
- D. The right to the **Extended Reporting Period** shall not be available to the **Named Insured** where cancellation or non-renewal by the Underwriters is due to non-payment of premium or failure of an **Insured** to pay such amounts in excess of the applicable Limit of Liability.
- E. All notices and premium payments with respect to the **Extended Reporting Period** shall be directed to the Underwriters through the entity named in Item 8.2 of the Declarations.
- F. At the commencement of the **Extended Reporting Period**, the entire premium shall be deemed earned, and in the event the **Named Insured** terminates the **Extended Reporting Period** for any reason prior to its natural expiration, the Underwriters will not be liable to return any premium paid for the **Extended Reporting Period**.

IX. OTHER INSURANCE

This insurance shall apply in excess of any other valid and collectible insurance or self-insurance available to any **Insured**, unless such other insurance is written only as specific excess insurance over the Limit of Liability of this Policy.

X. NOTICE OF CLAIM, OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

- A. If any **Claim** is made against the **Insured**, the **Insured** shall forward as soon as practicable to the Underwriters through persons named in Item 10. of the Declarations written notice of such **Claim** and forward every demand, notice, summons or other process received by the **Insured** or its representative. In no event shall the Underwriters be given notice of a **Claim** later than the end of the **Policy Period** or the end of the purchased **Extended Reporting Period**. The **Insured's** duty to provide notice in accordance with this provision is a condition precedent to coverage.

- B. If during the **Policy Period** the **Insured** first becomes aware of a negligent act, error or omission or an **Accident** that could lead to a **Claim**, it must give written notice to the Underwriters through persons named in Item 9. of the Declarations during the **Policy Period** of:
- (1) the specific, negligent act, error, or omission, or **Accident**;
 - (2) the injury or damage which may result or has resulted from the negligent act, error, or omission or **Accident**; and
 - (3) the circumstances by which the **Insured** first became aware of the negligent act, error or omission or **Accident**.

Any subsequent **Claim** made against the **Insured** which is the subject of the written notice shall be deemed to have been made at the time written notice was first given to the Underwriters.

- C. A **Claim** or circumstance that might lead to a **Claim** shall be considered to be reported to the Underwriters when notice is received by the Underwriters through persons named in Item 10. of the Declarations.
- D. All **Claims** arising out of the same, continuing or related negligent act, error or omission or arising out of the same, continuous or related **Accident** shall be considered a single **Claim** and deemed to have been made at the time the first of the related **Claims** is reported to the Underwriters. Such related **Claims** shall be subject to one Limit of Liability identified in Items 4.1.a) or 4.2.a), as applicable, of the Declarations.
- E. In the event of non-renewal of this insurance by the Underwriters, the **Insured** shall have thirty (30) days from the expiration date of the **Policy Period** to notify the Underwriters of **Claims** made against the **Insured** during the **Policy Period** which arise out of any negligent act, error or omission or **Accident** occurring prior to the termination date of the **Policy Period** and otherwise covered by this insurance.
- F. If any **Insured** shall make any **Claim** under this Policy knowing such **Claim** to be false or fraudulent, as regards amount or otherwise, this Policy shall become null and void and all coverage hereunder shall be forfeited.

XI. ASSISTANCE AND CO-OPERATION OF THE INSURED

The **Insured** shall co-operate with the Underwriters in all investigations, including regarding the application and coverage under this Policy, and upon the Underwriters' request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization other than an **Employee** of any **Insured** who may be liable to the **Insured** because of negligent acts, errors or omissions or **Accidents** with respect to which insurance is afforded under this Policy. The **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **Insured** shall not, except at its own cost, admit liability, make any payment, assume any obligation, incur any expense, enter into

any settlement, stipulate to any judgment or award or otherwise dispose of any **Claim** without the consent of the Underwriters.

XII. ACTION AGAINST THE UNDERWRITERS

No action shall lie against the Underwriters unless, as a condition precedent thereto, there has been full compliance with all terms of this insurance, nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment or award against the **Insured** after actual trial or arbitration or by written agreement of the **Insured**, the claimant and the Underwriters. No person or organization shall have any right under this insurance to join the Underwriters as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor shall the Underwriters be impleaded by the **Insured** or its legal representative.

XIII. BANKRUPTCY

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Underwriters of their obligations hereunder.

XIV. SUBROGATION

In the event of any payment under this insurance, the Underwriters shall be subrogated to all the **Insured's** rights of recovery against any person or organization, and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing before or after the payment of **Damages** by the Underwriters to prejudice such rights.

XV. CHANGES

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this insurance or estop the Underwriters from asserting any right under the terms of this insurance; nor shall the terms of this insurance be waived or changed, except by endorsement issued to form a part of this insurance, signed by the Underwriters.

XVI. MERGERS AND ACQUISITIONS

- A. If during the **Policy Period**, the **Named Insured** merges or acquires an entity and
- (1) the revenues of the merged or acquired entity do not exceed 10% of the **Named Insured's** annual revenues as set forth in its most recent application for insurance;
 - (2) the business operations of the merged or acquired entity are of a similar nature to those of the **Named Insured** as set forth in its most recent application for insurance; and
 - (3) the merged or acquired entity is located in the same state as the **Named Insured** or any subsidiary,

then this Policy will automatically cover the merged or acquired entity, subject to the policy terms, conditions and limitations, from the date such merger or acquisition becomes final but only for negligent acts, errors or omissions or **Accidents** that take place subsequent to the merger or acquisition. In the event the total amount of revenues of all merged and acquired entities during the **Policy Period** exceed 10% of the **Named Insured's** annual revenues as set forth in its most recent application for insurance, the above provision shall no longer apply and any further mergers or acquisitions will be subject to Paragraph B., below.

- B. In the event during the **Policy Period** the **Named Insured** merges or acquires an entity that does not fall within the criteria detailed in Paragraph A. above, or where Paragraph A. above no longer applies by virtue of the provision contained in the last sentence of Paragraph A. above, then the **Named Insured** shall be required to give written notice to the Underwriters prior to the completion of a merger or acquisition of the **Named Insured**, and the Underwriters expressly reserve the right to request additional premium and/or to apply amended terms and conditions if this insurance is to remain in force subsequent to any merger or acquisition.

XVII. ASSIGNMENT

The interest hereunder of any **Insured** is not assignable. If the **Insured** shall die or be adjudged incompetent, this insurance shall cover the **Insured's** legal representative as the **Insured**, as would be permitted by this Policy.

XVIII. CANCELLATION

1. For the Master Policyholder

- A. This Policy may be cancelled by the Underwriters by mailing or delivering to the Master Policyholder at the address shown in the Declarations written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. However, if the Underwriters cancel this Insurance because the **Insured** has failed to pay a premium when due, this Policy may be cancelled by the Underwriters by mailing a written notice of cancellation to the Master Policyholder at the address shown in the Declarations stating when, not less than ten (10) days thereafter, such cancellation shall be effective. Mailing of notice shall be sufficient proof of notice.

The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery (where permitted by law) of such written notice either by the Master Policyholder or by the Underwriters shall be equivalent of mailing.

- B. In the event of the cancellation of this master policy, the coverage hereunder shall run to its natural expiry date as specified in the declarations.
- C. The Master Policyholder may cancel this master policy by surrender thereof to the Underwriters or by mailing or delivering to the Underwriters through the entity

named in Item 9.1 of the Declarations, written notice stating when the cancellation shall be effective.

In such event, we will retain the premium at short rate or 25% of the premium whichever is greater.

2. For the Named Insured

- A. This Policy may be cancelled by the **Named Insured**, by surrender thereof to the Underwriters or by mailing or delivering to the Underwriters through the entity named in Item of the Declarations, written notice stating when the cancellation shall be effective.
- B. This Policy may be cancelled by the Underwriters by mailing or delivering to the **Named Insured** at the address shown in the Declarations written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. However, if the Underwriters cancel this Insurance because the **Insured** has failed to pay a premium when due, this Policy may be cancelled by the Underwriters by mailing a written notice of cancellation to the **Named Insured** at the address shown in the Declarations stating when, not less than ten (10) days thereafter, such cancellation shall be effective. Mailing of notice shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery (where permitted by law) of such written notice either by the **Named Insured** or by the Underwriters shall be equivalent of mailing.
- C. If the **Named Insured** cancels this Policy, the earned premium shall be computed in accordance with the attached short rate table and procedure.
- D. If the Underwriters cancel this Policy prior to any **Claim** being reported under this Policy, earned premium shall be computed pro rata.
- E. The premium shall be deemed fully earned if any **Claim** under this Policy is reported to the Underwriters under this Policy on or before the date of cancellation.
- F. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

XIX. SINGULAR FORM OF A WORD

Whenever the singular form of a word issued, herein, the same shall include the plural when required by context.

XX. ENTIRE CONTRACT

By acceptance of this Policy, the **Insured** agrees that the statements in the Declarations and application are his or her agreements and representations, that this insurance is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the **Insured** and the Underwriters relating to this insurance.

XXI. NUCLEAR INCIDENT EXCLUSION

The insurance provided by this Policy does not apply:

- A. To injury sickness, disease, death or destruction
 - (1) with respect to which an **Insured** under this Policy of insurance is also an **Insured** under a nuclear energy liability insurance issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada or would be an **Insured** under any such insurance but for its termination upon exhaustion of its limits of liability; or
 - (2) resulting from the hazardous properties of nuclear material and with respect to which (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (ii) the **Insured** is, or had this insurance 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 Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to **Bodily Injury**, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- C. To injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if
 - (1) the nuclear material (i) is at any nuclear facility owned by, or operated by or on behalf of, an **Insured** or (ii) has been discharged or dispersed there from;
 - (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 injury, sickness, disease, death or destruction 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, this exclusion (3) applies only to injury to or destruction of property at such nuclear facility.
- D. As used in this Section: "hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, special nuclear material or by-product material; "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, "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "waste" means any waste material (i) containing by-product material and (ii) resulting from the operation by any person or organization of any nuclear facility under paragraph (1) or (2) thereof; "nuclear facility" means

- (1) any nuclear reactor;
- (2) any equipment or device designed or used for (i) separating the isotopes of uranium or plutonium, (ii) processing or utilizing spent fuel, or (iii) handling, processing or packaging waste;
- (3) any equipment or device used for the processing, fabricating or alloying of special nuclear material if any time the total amount of such material in the custody of the **Insured** at the premises were such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 of any combination thereof, or more than 250 grams of uranium 235; or
- (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; "nuclear reactor" means any apparatus designed or used to sustain nuclear fission in self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this Section is subject to the terms, exclusions, conditions and limitations of the insurance to which it is attached.

XXII. SERVICE OF SUIT

- A. It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due under this insurance, the Underwriters hereon, at the request of the **Named Insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States. This Condition does not constitute and should not be understood to constitute an agreement by the Underwriters that an action is properly maintained in a specific forum, nor may it be construed as a waiver of the Underwriters' rights to commence an action in a court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state of the United States, all of which rights the Underwriters expressly reserve. It is further agreed that service of process in such suit may be made upon the designated entity in Item 11. of the Declarations, and that in any suit instituted against any one of them upon this contract, the Underwriters will abide by the final decision of such court in the event of an appeal.

- B. The Entity designated in Item 12. of the Declarations is authorized and directed to accept service of process on behalf of the Underwriters in any such suit and/or upon the request of the **Named Insured** to give written undertaking to the **Named Insured** that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as his or her true and lawful attorney upon whom may be served any lawful process in any action, suit or proceedings instituted by or on behalf of the **Named Insured** or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the Entity, designated in Item 12. of the Declarations, as the person to whom the said officer is authorized to mail such process or a true copy thereof.

XXIII. CHOICE OF LAW

Any dispute involving this Policy shall be resolved by applying the law of the state designated in Item 13. the Declarations.

XXIV. SEVERAL LIABILITY

The subscribing Underwriters' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of his or her individual subscriptions. The subscribing Underwriters are not responsible for the subscription of any co subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

XXV. LICENSURE

- A. It is a condition of the coverage afforded under the Policy that the facilities of the **Named Insured** and any **Insured** requiring a license to practice shall be licensed in accordance with all relevant federal, state and local requirements. The **Named Insured** warrants that as of the inception date of this Policy it has secured all relevant licenses.
- B. If, during the **Policy Period**, any **Insured's** licensure status is altered by withdrawal, revocation, denial, suspension or failure to renew, the **Named Insured** shall give written notice of such change to the Underwriters within thirty days of the change becoming effective. Following receipt of such notice, the Underwriters may elect, at their sole option, to revise any Insuring Agreements. Definitions, Exclusions, Endorsements or other Conditions of this Policy with respect to the **Insured**, with effect from such date of such withdrawal, revocation, denial, suspension or failure to renew. Such action does not waive the Underwriters option to invoke the provisions of Section XVIII. of this Policy. Furthermore, the Underwriters will have no obligation to respond to any **Claim** arising out of **Professional Services** or an **Accident** which took place subsequent to the date the of withdrawal, revocation, denial, suspension or failure to renew.

XXVI. SHORT RATE CANCELLATION TABLE

Notwithstanding anything to the contrary contained herein and in consideration of the premium for which this Insurance is written it is agreed that in the event of cancellation thereof by the **Insured** the Earned Premium shall be computed as follows:

A. For insurances written for one (1) year:

Days Insurance in Force	Per cent. of One Year Premium	Days Insurance in Force	Per cent. of One Year Premium
1 - 73	30	206 - 209	66
74 - 76	31	210 - 214	(7 months) 67
77 - 80	32	215 - 218	68
81 - 83	33	219 - 223	69
84 - 87	34	224 - 228	70
88 - 91	(3 months) 35	229 - 232	71
92 - 94	36	233 - 237	72
95 - 98	37	238 - 241	73
99 - 102	38	242 - 246	(8 months) 74
103 - 105	39	247 - 250	75
106 - 109	40	251 - 255	76
110 - 113	41	256 - 260	77
114 - 116	42	261 - 264	78
117 - 120	43	265 - 269	79
121 - 124	(4 months) 44	270 - 273	(9 months) 80
125 - 127	45	274 - 278	81
128 - 131	46	279 - 282	82
132 - 135	47	283 - 287	83
136 - 138	48	288 - 291	84
139 - 142	49	292 - 296	85
143 - 146	50	297 - 301	86
147 - 149	51	302 - 305	(10 months) 87
150 - 153	(5 months) 52	306 - 310	88
154 - 156	53	311 - 314	89
157 - 160	54	315 - 319	90
161 - 164	55	320 - 323	91
165 - 167	56	324 - 328	92
168 - 171	57	329 - 332	93
172 - 175	58	333 - 337	(11 months) 94

176 - 178	.....	59	338 - 342	.....	95
179 - 182	(6 months)	60	343 - 346	.....	96
183 - 187	.....	61	347 - 351	.....	97
188 - 191	.....	62	352 - 355	.....	98
192 - 196	.....	63	356 - 360	.....	99
197 - 200	.....	64	361 - 365	(12 months)	100
201 - 205	.....	65			

B. For Insurances written for more or less than one (1) year:

1. If insurance has been in force for twelve (12) months or less, apply the standard short rate table for annual insurances to the full annual premium determined as for an insurance written for a term of one year.
2. If insurance has been in force for more than twelve (12) months:
 - (a) Determine full annual premium as for an insurance written for a term of one (1) year.
 - (b) Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata Earned Premium on the basis of the ratio of the length of time beyond one (1) year the insurance has been in force to the length of time beyond one (1) year for which the insurance was originally written.
 - (c) Add premium produced in accordance with items (a) and (b) to obtain Earned Premium during full period insurance has been in force.

Furthermore and notwithstanding the foregoing, the Underwriters shall retain the total premium for this Policy, such total premium to be deemed earned upon inception of the Policy if any **Claim** or any circumstance that could reasonably be the basis for a **Claim** is reported to the Underwriters under this Policy on or before such date of cancellation.