

Healthcare Professional Liability

OFFERED THROUGH THE [PULL RISK PURCHASING GROUP NAME], A NOT-FOR-PROFIT CORPORATION, LOCATED AND DOMICILED IN THE STATE OF ILLINOIS.

I. INSURING AGREEMENT

The Company hereby agrees with the **Insured**, named in the Declarations made a part hereof, in consideration of the payment of the premium and in reliance upon the statements contained in the Declarations and in the application and subject to the Limits of Liability, exclusions, conditions and other terms of this insurance, as follows:

- A. **Professional Liability:** To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as **Damages** because of **Bodily Injury, Property Damage** or **Personal Injury** to which this insurance applies in the conduct of the profession of the **Insured** as specified on the Declarations caused by an **Incident** which occurs during the **Policy Period**.
- B. **Supplemental Liability:** To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as **Damages** because of **Bodily Injury** or **Property Damage** caused by an **Occurrence** during the **Policy Period**.
- C. **Medical Payments:** To pay to or for each person who sustains **Bodily Injury** caused by an **Occurrence** during the **Policy Period**:
 1. while on the premises owned by or rented to the **Insured** with the permission of the **Insured**; or
 2. while elsewhere if such **Bodily Injury**:
 - a. arises out of the premises owned by or rented to the **Insured** or a condition in the ways immediately adjoining;
 - b. is caused by the activities of the **Insured**; or
 - c. is caused by the activities of, or is sustained by, a residence employee while engaged in the employment of the **Insured**.

The reasonable expense of necessary medical, surgical, ambulance, hospital, professional nursing and funeral services, all incurred within one year from the date of **Occurrence**.

II. DEFENSE, SETTLEMENT, and SUPPLEMENTARY PAYMENTS

It is further agreed that as respects insurance afforded by this policy, the Company shall, in addition to the applicable limit of liability of this policy:

- A. Have the right and duty to defend any **Suit** against the **Insured** seeking **Damages** on account of such **Bodily Injury, Property Damage** or **Personal Injury**, even if any of the allegations of the **Suit** are groundless, false or fraudulent, but the Company shall not be obligated to pay any claim or judgment or continue to defend any **Suit** after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

The Company, at its option, shall select and assign defense counsel; however, the **Insured** may engage additional counsel, solely at their expense, to associate in their defense of any claim covered hereunder. **Claims Expenses** incurred by the Company shall be paid in addition to the applicable Limits of Liability. The Company shall also have the right to investigate any claim and/or negotiate the settlement thereof, as it deems expedient, but the Company shall not commit the **Insured** to any settlement without their written consent. If the **Insured** refuses to consent to any settlement recommended in writing by the Company and elects to contest the claim or continue any legal proceedings in connection with such claim, then the Company shall be relieved of any further duty to defend the claim, and the liability of the Company for **Damages** and **Claims Expenses** shall not exceed the amount for which the claim could have been settled as well as the **Claims Expenses** incurred by the Company, or with the Company's consent, up to the date of such refusal. The **Insured** shall not assume any obligations, incur any costs, charges, or expenses or enter into any settlement without the Company's written consent.

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- B. Pay up to \$500 for loss of earnings to the **Insured** for each day or part of a day of such **Insured's** attendance at the Company's request at a trial, hearing or arbitration proceeding involving a civil **Suit** against the **Insured** for covered **Damages**, but the amount so payable for any one or series of trials, hearings or arbitration proceedings arising out of the same **Incident** shall in no event exceed \$7,500.
- C. Pay reasonable expenses incurred by the **Insured** at the Company's request in assisting the Company in the investigation or defense of any claim or **Suit** covered hereunder.
- D. Pay up to \$1,000 per **Policy Period** for attorney fees, and other costs, expenses or fees resulting from the investigation or defense of a proceeding before a state licensing board or governmental regulatory body incurred as the result of a notice of a proceeding first received by the **Insured** during the **Policy Period** arising from an **Incident**. All such proceedings arising out of the same or related **Incident** shall be considered as having been first made at the time the notice of proceeding is first received by the **Insured** and the amounts so payable shall not exceed \$1,000.

III. LIMITS OF LIABILITY

Regardless of the number of Coverage Parts purchased, the number of **Insureds** under this insurance, the number of persons and/or organizations who sustain **Bodily Injury, Property Damage, or Personal Injury**, or the number of claims made or **Suits** brought, the Company's liability is limited as follows:

- A. Coverage A (Professional Liability): The Limit of Liability stated in the Declarations as applicable to "each **Incident**" is the limit of the Company's liability for all **Damages** for each **Incident** covered by the policy. All claims arising from the same or related **Incident** shall be considered a single claim for the purpose of this insurance and shall be subject to the same limit of liability. The Limit of Liability stated in the Declarations as "Policy Aggregate" for Coverage A is, subject to the above provisions involving "each **Incident**", the total limit of the Company's liability under this policy for all **Damages** under Coverage A.
- B. Coverage B (Supplemental Liability): The Limit of Liability stated in the Declarations as applicable to "each **Occurrence**" is the limit of the Company's liability for all **Damages** for each **Occurrence** covered by the policy. All claims arising from the same or related **Occurrence** shall be considered a single claim for the purpose of this insurance and shall be subject to the same Limit of Liability. The Limit of Liability stated in the Declarations as "Policy Aggregate" for Coverage B is, subject to the above provisions involving "each **Occurrence**", the total limit of the Company's liability under this policy for all **Damages** under Coverage B.
- C. Coverage C (Medical Payments): The Limit of Liability stated in the Declarations shall not exceed \$1,500 per **Occurrence** for each person who sustains **Bodily Injury**. Notwithstanding the foregoing, the Limit of Liability for all persons who sustain **Bodily Injury** during the **Policy Period** shall not exceed \$75,000.

IV. **POLICY TERRITORY**: This insurance applies to **Bodily Injury, Property Damage or Personal Injury** which occurs anywhere in the world, provided that claim is made or **Suit** is brought within the United States of America, its territories or possessions, or Canada.

V. **EXCLUSIONS**: This insurance does not apply:

- A. to any obligation for which the **Insured** or any of the **Insured's** insurance carrier(s) may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;
- B. to **Bodily Injury** and **Personal Injury** to any employee of the **Insured** while engaged in the business, other than domestic employment, of the **Insured** or to any obligation for which the **Insured** may be held liable under any workers' compensation law or in respect to an **Occurrence** arising from the use, including loading and unloading of an automobile, recreational

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motor vehicle, tractor or trailer owned or operated by or on behalf of the **Insured**, arising from the use, including loading and unloading, of any aircraft or watercraft of any nature, or caused by any person employed by the **Insured** while engaged in the maintenance or use of such automobile, tractor, trailer, aircraft or watercraft. A recreational motor vehicle means a golf cart or snowmobile or any other land motor vehicle designed for recreational use off public roads, whether or not subject to motor vehicle registration; but this exclusion does not apply to golf carts while used for golfing purposes;

- C. to any claim, action, judgment, settlement, loss defense, cost or expense in any way arising out of actual, alleged or threatened pollution, contamination or any environmental impairment resulting from seepage, discharge, dispersal, release or escape of any solid, liquid, gaseous or radioactive matter including, but not limited to, smoke vapors, soots, fumes, acids, alkalis, chemicals or toxic matter; or waste material (including materials to be recycled, reconditioned or reclaimed); or oil or other petroleum substances or derivatives (including any oil refuse or oil mixed with waste), or thermal or vibratory effect including, but not limited to, sound or noise, heat or cold, into or upon land, the atmosphere or any water course or body of water, underground water or water table supplies, whether such results directly, indirectly or in concurrence or in any sequence from the **Insured's** activities or the activities of others and whether or not such is sudden, gradual, accidental, intended, foreseeable, expected, fortuitous, or inevitable and wherever or however such occurs.

But this exclusion shall not apply to **Bodily Injury** or **Property Damage** caused by heat, smoke or fumes from a “**Hostile Fire**” unless such fire involves:

1. materials which are or were at any time used for the handling, storage, disposal, processing or treatment of waste; or
2. any premises, site, or location:
 - a. which is or was at any time used for handling, storage, disposal, processing or treatment of waste; or
 - b. on which any **Insured** or contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations to test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants;

- D. to any dishonest, fraudulent, criminal or malicious acts or omissions of any **Insured**;
- E. to acts or omissions by any **Insured** expected or intended to cause **Bodily Injury** or **Property Damage**, regardless of whether or not such act or omission was intended to cause the specific **Bodily Injury** or **Property Damage** sustained. This exclusion shall not apply to any intentional act by or at the direction of the **Insured** which results in **Bodily Injury**, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property;
- F. to liability assumed by the **Insured** under any contract or agreement, except to the extent the **Insured** would be liable in the absence of such contract or agreement;
- G. to claims brought against the **Insured** as a proprietor, owner, partner, manager, superintendent, or officer of any hospital, sanitarium, medical clinic, managed care facility, health maintenance organization, utilization review operation or any other facility;
- H. to claims arising out of services performed by an **Insured** as a physician, surgeon, dentist, nurse midwife, chiropractor, podiatrist, acupuncturist, nurse anesthetist, osteopath, psychiatrist, attorney, accountant, financial advisor, investment consultant or real estate or insurance agent or broker;
- I. to claims brought against the **Insured** arising out of any trade, business, employment, profession or occupation other than as specified in the Declarations or any endorsement thereto;
- J. to claims based on or arising out of the practice of the **Insured's** business or professional occupation as stated in the Declarations unless the **Insured** is properly licensed or certified by the laws of the state(s) in which the **Insured** practices or

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conducts business or is otherwise qualified to practice the **Insured's** business or professional occupation in the absence of such laws;

- K. to claims based on or arising out of services by the **Insured**, to the extent such services are not authorized or permitted by the laws of the state(s) in which the **Insured** practices or conducts business;
- L. to any claims made or **Suits** brought against any **Insured** alleging in whole or part:
 - 1. physical assault, abuse, molestation, or habitual neglect, or licentious, immoral, amoral or other behavior that was committed, or alleged to have been committed, by the **Insured** or by any other person; and/or
 - 2. sexual assault, abuse, molestation, or licentious, immoral, amoral or other behavior which was threatened, intended to lead to or culminated in, any sexual act whether committed intentionally, negligently, inadvertently or with the belief, erroneous or otherwise, that the other party is consenting and has the legal and mental capacity to consent thereto, that was committed, or alleged to have been committed by the **Insured** or by any other person.

This exclusion applies regardless of the legal theory or basis upon which the **Insured** is alleged to be legally liable or responsible in whole or in part, for any **Damages** arising out of sexual and/or physical abuse, including but not limited to assertions of improper or negligent hiring, employment or supervision, failure to warn or protect the other party, failure to prevent the sexual abuse and/or physical abuse, failure to prevent assault and battery, failure to discharge the employee.

However, notwithstanding the foregoing exclusions, the **Insured** shall be entitled to a defense as provided under the terms of the policy as to any claim upon which **Suit** is brought for any such alleged behavior, unless a judgment or final adjudication adverse to any **Insured** or an admission by any **Insured** shall establish that such behavior caused, in whole or part, the injury claimed in such **Suit**. The Company shall not be required to appeal a judgment or final adjudication adverse to the **Insured**;

- M. to property owned or occupied by or rented to the **Insured**, or to property held by the **Insured** for sale or entrusted to the **Insured** for storage or safekeeping;
- N. under the Coverage B (Supplemental Liability) and Coverage C (Medical Payments), this insurance shall not apply to claims brought against the **Insured** arising out of, in whole or part, the conduct of any trade, business, employment, profession or occupation;
- O. as respects **Personal Injury** Liability coverage:
 - 1. to **Personal Injury** arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the **Insured**;
 - 2. to **Personal Injury** arising out of the publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy if the first injurious publication or utterance of the same or similar material by or on behalf of the **Insured** was made prior to the effective date of this coverage;
 - 3. to **Personal Injury** arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the **Insured** with knowledge of the falsity thereof.

VI. DEFINITIONS: When used in this policy (including endorsements forming a part hereof):

“**Bodily Injury**” means bodily injury, sickness or disease, mental anguish, emotional distress, or psychological injury, harm or impairment sustained by any person which occurs during the **Policy Period**, including death at any time resulting there from;

“**Claims Expenses**” means:

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- A. fees charged by an attorney(s) and/or an independent adjuster(s) designated by the Company and all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a claim, **Suit** or proceedings, arising in connection therewith, if incurred by the Company, or by the **Insured** with written consent of the Company, but does not include salary charges or expenses of regular employees or officials of the Company;
- B. all costs against the **Insured** in such **Suits** and all interest on the entire amount of any judgment therewith which accrues after entry of the judgment and before the Company has paid, tendered or deposited, whether in court of otherwise, the part of the judgment which does not exceed the limit of the Company's liability;
- C. premiums on appeal bonds and premiums on bonds to release attachments in such **Suits**, but not for bond amounts in excess of the applicable Limit of Liability of this policy, but the Company shall have no obligation to apply for or furnish any such bond;

“**Damages**” means compensatory judgments, settlements, or awards, but does not include punitive or exemplary **Damages**, fines or penalties, the return of fees or other consideration paid to the **Insured**, or the portion of any award or judgment caused by the multiplication of actual **Damages** under federal or state law. However, if a **Suit** is brought against the **Insured** with respect to a claim for alleged acts or omissions falling within the scope of coverage afforded by this insurance seeking both compensatory and punitive or exemplary **Damages**, then the Company will afford a defense to such action, without liability, however, for payment of such punitive or exemplary **Damages**;

“**Hostile Fire**” means one which becomes uncontrollable or breaks out from where it was intended to be;

“**Incident**” means any act or omission;

- A. in the rendering of or failure to render services by the **Insured**, or by any person for whom the **Insured** is legally responsible, in the conduct of the professional occupation shown in the Declarations; or
- B. in the performance of services by any **Insured** as a member of a formal accreditation, ethics, peer review, licensing boards, standards review or similar professional board or committee of a professional not-for-profit organization, in the conduct of the **Insured's** business or in the practice of the **Insured's** professional occupation;

Any such act or omission, together with all related acts or omissions, shall be considered one **Incident** and be subject to the same Limit of Liability;

“**Insured**” means the person designated on the Declarations;

“**Occurrence**” means an accident, including continuous or repeated exposure to substantially the same general conditions, which results in **Bodily Injury** or **Property Damage** neither expected nor intended from the standpoint of any **Insured**;

“**Personal Injury**” means any injury resulting from:

- A. false arrest, detention or imprisonment, or malicious prosecution;
- B. the publication or utterance of a libel or slander or of other defamatory or disparaging material, or publication or utterance in violation of an individual's right of privacy; except publications or utterances in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the **Insured**;
- C. wrongful entry or eviction, or other invasion of the right of private occupancy;

“**Policy Period**” means, whenever used in this policy, the period of time from the inception date of this policy to the policy expiration date as set forth in the Declarations or its earlier termination date, in any;

“**Property Damage**” means:

- A. physical injury to or destruction of tangible property which occurs during the **Policy Period**, including the loss of use thereof at any time resulting therefrom;

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- B. loss of use tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **Occurrence** during the **Policy Period**; or
- C. economic loss, whether or not resulting from physical injury or damage to person or property, except if such loss was caused, or alleged to have been caused, in whole or part, by anti-trust, price-fixing, restraint of trade or unfair business practices by the **Insured**;

“**Suit**” includes lawsuits and arbitration proceedings to which the **Insured** is required to submit to or which the **insured** has submitted with the Company’s consent.

VII. CONDITIONS

A. ACTION AGAINST COMPANY

No actions shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the **Insured’s** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as party to any action against the **Insured** to determine the **Insured’s** liability, nor shall the Company be impeded by the **Insured** or the **Insured’s** legal representative.

B. ASSIGNMENT

Assignment of interest under this policy shall not bind the Company until its consent is endorsed herein; if, however, the **Insured** shall die, such insurance is afforded by this policy shall apply (1) to the **Insured’s** legal representative, but only while acting within the scope of his/her duties as such, and (2) with respect to the property of the **Insured**, to the person having proper temporary custody thereof, as **Insured**, but only until the appointment and qualification of the legal representative.

C. ASSISTANCE AND COOPERATION OF INSURED

The **Insured** shall give written notice to the Company as soon as practicable of any claim made against the **Insured** or of any specific circumstances involving a particular person likely to result in a claim. The notice shall identify the **Insured** and contain reasonably obtainable information with respect to the time, place and circumstances of the injury, including the names and addresses of the injured and of available witnesses and the extent of the type of claim anticipated. If a claim is made or **Suit** is brought against the **Insured**, the **Insured** shall as soon as practicable forward to the Company every demand, notice, summons or other process received by the **Insured** or the **Insured’s** representative.

The **Insured** shall cooperate with the Company and, upon the Company’s request assist in making settlements, in the conduct of **Suits** and enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** because of injury or **Damages** with respect to which this insurance is afforded under this policy; and the **Insured**, shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

D. BANKRUPTCY OR INSOLVENCY

Bankruptcy or insolvency of the **Insured** or of the **Insured’s** estate shall not relieve the Company of any of its obligations hereunder.

E. CANCELLATION AND NONRENEWAL

1. CANCELLATION

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This insurance may be cancelled on the customary short-rate basis by the **Insured** at any time by written notice or by surrender of this insurance to the Company or its authorized representative and the Company shall refund the paid premium less the earned portion thereof within thirty (30) days of the latter of the effective date of cancellation or the date of delivery of the **Insured's** notice of intent to cancel. This insurance may also be cancelled, with or without the return or tender of the unearned premium, by the Company or by its authorized representative on its behalf, by sending to the **Insured**, by first-class registered or certified mail, at **Insured's** address last known to the Company or its authorized agent, but not less than ninety (90) days written notice stating the specific reason for such cancellation and when the cancellation shall be effective. In such case, the Company shall refund the paid premium less the earned portion thereof within ten (10) business days after the effective date of cancellation, subject always to the retention by the Company of any minimum premium stipulated herein (or proportion thereof previously agreed upon) in the event of cancellation either by the Company or the **Insured**. In case of nonpayment of premium, only thirty (30) days written notice of cancellation must be given by the Company.

Cancellation by the Company shall only be effective if based on one or more of the following reasons:

- a. nonpayment of premium;
- b. the policy was obtained through material misrepresentation;
- c. violation of any term or condition of this policy;
- d. the risk originally accepted has measurably increased; or
- e. loss by the Company of reinsurance which provided coverage for all or a substantial part of the risk insured.

2. NONRENEWAL

The Company will renew this policy unless written notice of the Company's intent not to renew, stating the specific reasons for non-renewal, is mailed to the **Insured** not less than sixty (60) days before the policy expires. Any notice of nonrenewal will be mailed by first-class registered or certified mail to the **Insured** at the last mailing address known to the Company. Proof of mailing will be sufficient proof of notice.

F. CHANGES

The terms of this policy shall not be waived or changed, except by endorsement issued to form part of this policy.

G. DECLARATIONS

By acceptance of this policy, the **Insured** agrees that the statements in the Declarations are the **Insured's** agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the **Insured** and the Company or any of its agents relating to this insurance.

H. INSPECTION AND AUDIT

The Company shall be permitted but not obligated to inspect the **Insured's** property and operations at any time. Neither the Company's rights to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the **Insured** or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

The Company may examine and audit the **Insured's** books and records at any time during the **Policy Period** and extensions thereof and within three (3) years after the final termination of this policy as far as they relate to the subject matter of this insurance.

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I. OTHER INSURANCE

If there is other valid insurance (whether primary, excess, contingent or self-insurance) which may apply against a loss or claim covered by this policy, the insurance provided hereunder shall be deemed excess insurance over and above the applicable limit of all other insurance of self-insurance.

When this insurance is excess, the Company shall have no duty under this policy to defend any claim or **Suit** that any other insurer or self-insurer has duty to defend. If such other insurer or self-insurer refuses to defend such claim or **Suit**, the Company shall be entitled to the **Insured's** rights against all such other insurers or self-insurers for any defense costs incurred by the Company.

When both this insurance and other insurance or self-insurance apply to the loss on the same basis, whether primary, excess or contingent, the Company shall not be liable under this policy for a greater proportion of the loss or defense costs than the applicable Limit of Liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss. Subject to the foregoing, if a loss occurs involving two or more policies, each of which provides that its insurance shall be excess, each will contribute pro-rata.

J. PREMIUM

All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

K. REIMBURSEMENT

If the Company pays any amount:

1. within the amount of the applicable Deductible; and/or
2. in excess of the Limit of Liability stated in the Declarations

all **Insureds** shall be jointly and severally liable to the Company for such amounts. Payment will be made to the Company within thirty (30) days of demand for reimbursement.

L. SUBROGATION

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

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Secretary.



President



Secretary