

Healthcare Professional Liability



LIBERTY INSURANCE UNDERWRITERS INC.

(A Stock Insurance Company, hereinafter the “Company”)

MEDICAL PROFESSIONAL LIABILITY OCCURRENCE INSURANCE POLICY

THIS IS AN OCCURRENCE POLICY. PLEASE REVIEW THE POLICY CAREFULLY.

The Company agrees with the **Named Insured**, in consideration of the payment of the premium, and in reliance upon the statements in the Declarations and in the Application and subject to the Limit of Liability, exclusions, conditions and other terms of this policy, as follows:

I. COVERAGES

A. COVERAGE A, PROFESSIONAL LIABILITY COVERAGE

If indicated by a specific premium in the Declarations, the Company will 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 **Incident** or **Personal Injury**, to which this insurance applies in the operation of the business or conduct of the profession of the **Named Insured** as specified in the Declarations; which occurs during the **Policy Period**.

B. COVERAGE B, GENERAL LIABILITY COVERAGE

If indicated by a specific premium in the Declarations, the Company will 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 **Advertising Injury** to which this insurance applies in the operation of the business or conduct of the profession of the **Named Insured** as specified in the Declarations, caused by an **Occurrence** during the **Policy Period**. This coverage specifically includes the following extensions:

1. Contractual Liability: **Bodily Injury** or **Property Damage** resulting from any **Incidental Contract** relating to the operation of the **Named Insured's** business, except if such injury or damage occurred prior to the execution of the **Incidental Contract**;
2. Host Liquor Liability: **Bodily Injury** or **Property Damage** arising out of the giving or serving of alcoholic beverages at functions incidental to the **Named Insured's** business;
3. Fire Legal Liability: **Property Damage** to structures or portions thereof rented to or leased to the **Named Insured**, including fixtures permanently attached thereto, if such **Property Damage** arises out of fire. Solely as respects Fire Legal Liability coverage, all of the exclusions of the policy, other than Exclusions 6, 12 and 13 and the Nuclear Energy Liability Exclusion (Broad Form) are deleted;

As respects coverage(s) provided by this insurance, the Company shall have the right and duty to defend any **Suit** against the **Insured** seeking **Damages** on account of such **Bodily Injury**, **Property Damage**, **Personal Injury** or **Advertising 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 **Damages**.

The Company, at its option, shall select and assign defense counsel; however, the **Named Insured** may engage additional counsel, solely at their expense, to associate in the 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 to any settlement without the **Named Insured's** written consent. If the **Named**

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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 admit liability, nor assume any obligations, incur any costs, charges, or expenses or enter into any settlement without the Company's written consent.

II. PERSONS INSURED

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

- A. If the **Named Insured** is an individual, the **Named Insured** so designated in the Declarations;
- B. If the **Named Insured** is a sole proprietorship, the **Named Insured** so designated in the Declarations;
- C. If the **Named Insured** is a partnership, the partnership so designated in the Declarations and any partner thereof;
- D. If the **Named Insured** is other than an individual, sole proprietorship or partnership, the organization so designated in the Declarations, and any owner, officer, director, principal, trustee or stockholder thereof;
- E. Any employee of the **Named Insured**, but only while such employee was acting on behalf of the **Named Insured** and within the scope of the employee's duties as such or for acts performed by such employee as a Good Samaritan or unpaid volunteer during the employee's term of employment with the **Named Insured**;
- F. Any volunteer, but solely while such person was acting within the scope of the volunteer's duties for, and on behalf of, the **Named Insured**;
- G. Any professional serving as a temporary replacement or substitute for an **Insured**, but solely while such person was acting within their duties for, and on behalf of, the **Named Insured**. During the term of such replacement, the person who is replaced by, or substituted for, shall not be an **Insured** under this policy, as respects COVERAGES A. and B.

III. LIMITS OF LIABILITY

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

- A. The Limit of Liability stated in the Declarations as applicable to "each **Incident**" or "each **Occurrence**" is the total limit of the Company's liability for all Damages for "each **Incident**" and/or "each **Occurrence**" covered by the policy. All claims arising from the same or related **Incident, Occurrence** and/or **Personal Injury** shall be considered a single claim for the purpose of this insurance and shall be subject to the same Limit of Liability.
- B. The Limit of Liability stated in the Declarations as "Aggregate" is, subject to the above provisions involving "each **Incident**" and/or "each **Occurrence**," the total limit of the Company's liability under this policy for all **Damages**. However, the Limit of Liability stated in the Declarations as "Aggregate" shall apply separately to any individual defined as an **Insured** under Section II, PERSONS INSURED, Subsections A, B, C or E, or any organization defined as an **Insured** under Subsection D.

IV. POLICY TERRITORY

This insurance applies to **Bodily Injury, Property Damage, Personal Injury, or Advertising 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.

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V. SUPPLEMENTARY PAYMENTS

The Company will pay, in addition to the applicable Limit of Liability:

A. FIRST PARTY ASSAULT

Up to \$5,000, for:

1. medical expenses incurred as a result of **Bodily Injury** to the **Insured**; and
2. repair or replacement of personal property owned by the **Insured**;

caused by any one **Assault** by, or at the direction of, a person other than an **Insured** during the **Policy Period**, which happens on the **Insured's** workplace premises, including the ways immediately adjoining such workplace premises, while away from such workplace premises while conducting an authorized work activity, or while traveling to or from such workplace premises.

Subject to the foregoing, the total amounts payable under this extension shall not exceed \$10,000 for all **Assaults** which happen during the **Policy Period**.

This coverage does not apply to damage to any mode of transportation used by the **Insured** to go to and from the **Insured's** workplace premises, or damage to any business or personal property owned, leased or rented by any other person or business enterprise while in the **Insured's** possession.

This coverage applies as excess over any other available insurance covering such loss;

B. LICENSING BOARD REIMBURSEMENT

Up to \$5,000 for attorney fees, and other costs, expenses or fees resulting from the investigation or defense of all proceedings before an entity responsible for regulating the **Insured's** professional conduct, arising out of an **Incident**, incurred as a result of notice or notices of proceedings first received by the **Insured** during the **Policy Period**. This payment, however, does not apply to any expenses or fees resulting from criminal proceedings.

All such proceedings arising out of the same or related **Incident** shall be:

1. considered first made during the **Policy Period** in which the earliest complaint arising out of such same or related **Incident** was made; and
2. subject to a single limit as stated above.

Subject to the foregoing, the total amounts payable under this extension shall not exceed \$10,000 for all **Incidents** of which notice or notices are first received by all **Insureds** during the **Policy Period**.

C. WAGE LOSS AND EXPENSE

For lost wages, costs and expenses, caused by the **Insured's** attendance at the Company's request at any trial(s), hearing(s) or arbitration proceeding(s) involving a civil **Suit(s)** against such **Insured** for covered **Damages**. Regardless of the number of **Insureds**, trials, hearings or arbitration proceedings, the amount so payable for any one series of trials, hearings or arbitration proceedings arising out of the same **Incident** and/or **Occurrence** shall not exceed \$10,000.

D. DEPOSITION EXPENSE

Up to \$5,000, for all reasonable fees, costs and expenses necessary to represent the **Insured** at all depositions, which the **Insured** is required to attend, arising out of the profession indicated in the Declarations, of which notice or notices of required attendance are first received by the **Insured** during the **Policy Period**, but this payment does not apply to any deposition where the **Insured** is acting as a paid expert.

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E. FIRST AID REIMBURSEMENT

Up to \$2,500, for all medical related expenses for which the **Insured** has voluntarily made payment or incurred, for first aid rendered to others as a result of any **Bodily Injury** done to another, covered by this policy, which happens during the **Policy Period**.

This provision does not apply to **Bodily Injury** to any person as defined as an **Insured** in this policy.

The first aid must be provided within a 48-hour period after the injury happens.

VI. EXCLUSIONS

This insurance does not apply:

1. with respect to **Advertising Injury**:
 - a. to any **Insured** in the business of advertising, broadcasting, publishing or telecasting; or
 - b. to any injury arising out of any act committed by any **Insured** with actual malice;
2. to **Advertising Injury** arising out of:
 - a. failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract; or
 - b. infringement of trademark, service mark or 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
 - c. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;
3. to any obligation for which the **Insured**, or any carrier as his/her insurer, may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;
4. to **Bodily Injury** or **Personal Injury** to any employee of the **Insured** arising out of and in the course of his/her employment by the **Insured** or to any obligation of the **Insured** to indemnify another because of **Damages** arising out of such injury;
5. to **Bodily Injury** or **Property Damage** arising out of the ownership, maintenance, operation, use, loading or unloading of:
 - a. any watercraft owned or operated by or rented or loaned to any **Insured**; or
 - b. any other watercraft operated by any person in the course of his/her employment by any **Insured**.

This exclusion does not apply to any watercraft under 26 feet in length provided such watercraft is neither owned by the **Named Insured** nor being used to carry persons or property for a charge. Irrespective of this coverage, where the **Insured** is covered or protected by other insurance against any loss or claim which would otherwise have been paid by the Company under this policy there shall be no contribution or participation by this Company on the basis of excess, contributing, deficiency, concurrent, or double insurance or otherwise;

6. to any claim, action, judgement, liability, settlement, loss, defense, cost or expense in anyway 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 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

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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:

- a. materials which are or were at any time used for the handling, storage, disposal, processing or treatment of waste; or
 - b. any premises, site or location:
 - i. which is or was at any time used for handling, storage, disposal, processing or treatment of waste; or
 - ii. 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;
7. to **Bodily Injury** or **Property Damage** 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;
8. to **Bodily Injury** or **Property Damage** for which the **Insured** or the **Insured's** indemnitee may be liable:
- a. as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or
 - b. 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, including the selling, serving or giving of any alcoholic beverage to a minor;
9. to **Property Damage** included within:
- a. the **Explosion Hazard**;
 - b. the **Collapse Hazard**;
 - c. the **Underground Property Damage Hazard**;
10. to any dishonest, fraudulent, criminal or malicious act or omission of any **Insured**;
11. to any claim made by an employer against an **Insured** if the **Insured** is a salaried employee of such employer;
12. 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 **Bodily Injury** arises solely from the use of reasonable force for the purpose of protecting persons or property;
13. to liability assumed by any **Insured** under any contract or agreement except to the extent:
- a. such **Insured** would be liable in the absence of such contract or agreement, including liability assumed by any **Insured** under a contract or agreement with a Health Maintenance Organization, Preferred Provider Organization, Independent Practice Association, or any other similar organization;
 - b. the contract or agreement is an **Incidental Contract** and COVERAGE B, GENERAL LIABILITY COVERAGE has been purchased;

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14. to **Bodily Injury** or **Property Damage** arising out of the ownership, maintenance, operation, use, loading or unloading of:
 - a. any **Automobile** or aircraft owned or operated by or rented or loaned to any **Insured**; or
 - b. any other **Automobile** or aircraft operated by any person in the course of his or her employment by any **Insured**;

but this exclusion does not apply to the parking of an **Automobile** on premises owned by, rented to or controlled by the **Named Insured** or the ways immediately adjoining, if such **Automobile** is not owned by or rented or loaned to any **Insured**;
15. to **Bodily Injury** or **Property Damage** arising out of:
 - a. 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 any such contest or activity; or
 - b. the operation or use of any snowmobile or trailer designed for use therewith;
16. to **Bodily Injury** or **Property Damage** arising out of and in the course of the transportation of **Mobile Equipment** by an **Automobile** owned or operated by or rented or loaned to any **Insured**;
17. to **Property Damage** to:
 - a. property owned, rented or occupied by, the **Named Insured**; or
 - b. personal property in the care, custody or control of the **Insured**;
18. to **Property Damage** to premises alienated by the **Named Insured** arising out of such premises or any part thereof;
19. to loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - a. a delay in or lack of performance by or on behalf of the **Named Insured** or any contract or agreement; or
 - b. the failure of the **Named Insured's Products** or work performed by or on behalf of the **Named Insured** to meet with 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 other tangible property resulting from the sudden and accidental physical injury to or destruction of the **Named Insured's Product** 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 an **Insured**;
20. to **Property Damage** to the **Named Insured's Products** arising out of the use of such products or any part of such products;
21. to claims brought for the withdrawal, inspection, repair, replacement, or loss of use of the **Named Insured's Products** or work completed by or for the **Named Insured** or 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;
22. to claims brought against any **Insured** as a proprietor, owner, partner, manager, superintendent, or officer of any hospital, sanitarium, medical clinic, health maintenance organization, managed care facility, foster care agency, adoption agency or any other facility not specified in the Declarations or any endorsement thereto;

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23. to claims arising out of the services performed by any **Insured** as a physician, surgeon, dentist, nurse midwife, chiropractor, podiatrist, osteopath, psychiatrist, cytotechnologist, or perfusionist, except for services performed as an optometric physician, or 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;
24. to claims based on or arising out of the practice of the **Named 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 conducts business or is otherwise qualified to practice the **Named Insured's** business or professional occupation in the absence of such law;
25. to claims based on or arising out of services provided by any **Insured**, to the extent such services are not authorized or permitted by the laws of the state(s) in which such **Insured** practices or conducts business;
26. to any claims based on or arising out of any act or omission by an **Insured** with respect to hiring, termination, harassment, compensation, or the tenure, term, condition, benefits or privilege of employment of any such person;
27. to any claims made or **Suits** brought against any **Insured** alleging in whole or part;
 - a. 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 person for whom the **Insured** is legally responsible; and/or
 - b. sexual assault, abuse, or 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 person for whom the **Insured** is legally responsible.

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 protect or warn 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 exclusion, 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 claim or **Suit**. The Company shall not be required to appeal a judgment or final adjudication adverse to the **Insured**. This duty to defend will not apply to claims brought alleging conduct specified in Exclusion 26, above;

28. to **Bodily Injury** and **Property Damage** included within the **Products Hazard** or **Completed Operations Hazard**;
29. to **Personal Injury** or **Advertising Injury** arising out of:
 - a. the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the **Insured**;
 - b. a 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 **Named Insured** was made prior to the effective date of this insurance;
 - c. 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 falsity thereof;

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30. to any claim brought by, or on behalf of, any **Insured** under this policy against any other **Insured** under this policy, except if such claim results from services rendered in a patient or client relationship;

VII. DEFINITIONS

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

“**Advertising Injury**” means injury arising out of an offense committed during the **Policy Period** occurring in the course of the **Named Insured’s** advertising activities, if such injury arises out of libel, slander, defamation, violation or right of privacy, piracy, or infringement of copyright, title or slogan;

“**Assault**” means any willful attempt or threat to inflict injury upon the person of another, when coupled with an apparent present ability to do so, and any intentional display of force such as would give the victim reason to fear or expect immediate bodily harm;

“**Automobile**” means any land motor vehicle, tractor, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include **Mobile Equipment**;

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

“**Claims Expenses**” means:

- A. fees charged by an attorney(s) and/or independent adjustor(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 taxed against the **Insured** in such **Suits** and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the Company has paid, tendered or deposited, whether in court or 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;

“**Collapse Hazard**” includes “**Structural Property Damage**” as defined herein and **Property Damage** to any other property at any time resulting therefrom. “**Structural Property Damage**” means the collapse of or structural injury to any building or structure due to:

- A. grading of land, excavating, burrowing, filling, back-filling, tunneling, pile driving, cofferdam work or caisson work; or
- B. moving, shoring, underpinning, razing or demolition of any building or structure or removal or rebuilding of any structural support thereof.

The **Collapse Hazard** does not include **Property Damage**:

- A. arising out of operations performed for the **Named Insured** by independent contractors; or
- B. included within the **Completed Operations Hazard** or the **Underground Property Damage Hazard**; or
- C. for which liability is assumed by the **Insured** under an **Incidental Contract**;

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“**Completed Operations Hazard**” includes **Bodily Injury** and **Property Damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the **Named Insured**. “Operations” includes materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- A. when all operations to be performed by or on behalf of the **Named Insured** under the contract have been completed; or
- B. when all operations to be performed by or on behalf of the **Named Insured** at the site of the operations have been completed; or
- C. when the portion of the work of which the **Bodily Injury** or **Property Damage** arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project.

Operations which may require further service, maintenance work, correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The **Completed Operations Hazard** does not include **Bodily Injury** or **Property Damage** arising out of:

- A. operations in connection with the transportation of property, unless the **Bodily Injury** or **Property Damage** arises out of a condition in or on a vehicle created by the loading or unloading thereof; or
- B. the existence of tools, installed equipment or abandoned or unused material; or
- C. operations for which the classification stated in the policy or in the Company’s manual specifies “including completed operations”;

“**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**;

“**Explosion Hazard**” includes **Property Damage** arising out of blasting or explosion. The **Explosion Hazard** does not include **Property Damage**:

- A. arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment; or
- B. arising out of operations performed for the **Named Insured** by independent contractors; or
- C. included within the **Completed Operations Hazard** or the **Underground Property Damage Hazard**; or
- D. for which liability is assumed by the **Insured** under an **Incidental Contract**;

“**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; including but not limited to services as a Good Samaritan or case management or utilization review services; or

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- B. in the performance of services by the **Insured** as a member of a formal accreditation, ethics, peer review, licensing board, standards review or similar professional board or committee of a professional organization; in the conduct of the business or professional occupation specified in the Declarations.

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;

“**Incidental Contract**” means any oral or written contract or agreement relating to the operation of the **Named Insured’s** business, except as respects Fire Legal Liability;

“**Insured**” means any person or organization qualifying as an **Insured** in Section II, PERSONS INSURED. The insurance afforded applies separately to each **Insured** against whom claim is made or **Suit** is brought, except with respect to the Company’s “Each **Incident**” or “Each **Occurrence**” Limit of Liability, but this provision does not expand or alter the coverage under this policy;

“**Mobile Equipment**” means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled:

- A. not subject to motor vehicle registration; or
- B. maintained for use exclusively on premises owned by or rented to the **Named Insured**, including the ways immediately adjoining; or
- C. designed for use principally off public roads; or
- D. 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: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

“**Named Insured**” means the organization named in Item 1 of the Declarations of this policy. “**Named Insured**” also shall include any organization which is acquired or formed by the **Named Insured** and over which the **Named Insured** maintains ownership or majority interest, other than a joint venture, but this insurance shall not apply if such new organization is also an **Insured** under any other similar liability or indemnity policy or would be **Insured** under any such policy but for exhaustion of its limits of liability. Unless written notice is given to the Company, this coverage shall terminate ninety (90) days from the date any such organization is acquired or formed by the **Named Insured**, or the end of the **Policy Period** whichever is earlier, and shall only apply to claims brought against the **Insured** arising out of the business or professional occupation specified in the Declarations;

“**Named Insured’s Products**” means goods or products manufactured by the **Named Insured** or by others trading under the name of the **Named Insured**, including any container thereof;

“**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** or **Advertising Injury**;

“**Personal Injury**” means injury arising out of an offense committed during the **Policy Period**, if such injury result from:

- A. false arrest, detention or imprisonment, or malicious prosecution; or
 - B. the publication or utterance of a libel or slander or of other defamatory or disparaging material, or a 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 **Named Insured**;
- or

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C. wrongful entry or eviction, or other invasion of the right of private occupancy;

Any such act, described in A, B or C above, together with all related acts described in A, B or C above shall be considered one **Personal Injury** and be subject to the same Limit of Liability.

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

“**Products Hazard**” includes **Bodily Injury** and **Property Damage** arising out of the **Named Insured’s Products** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs away from the premises owned by or rented to the **Named Insured** and after physical possession of such products has been relinquished to others. Equipment specifically designed, made or altered by the **Insured** for a patient or client in the performance of the **Insured’s** profession or operation of business, shall not be included in the “**Products Hazard**”;

“**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; or
- B. loss of use of 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, breach of contract, price-fixing, restraint of trade or unfair business practices by any **Insured**;

“**Suit**” includes lawsuit and/or arbitration proceedings to which the **Insured** is required to submit to or to which the **Insured** has submitted with the Company’s consent;

“**Underground Property Damage Hazard**” includes **Underground Property Damage** as defined herein and **Property Damage** to any other property at any time resulting therefrom. “**Underground Property Damage**” means **Property Damage** to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, burrowing, filling, back-filling or pile driving. The **Underground Property Damage Hazard** does not include **Property Damage**:

- A. arising out of operations performed for the **Named Insured** by independent contractors; or
- B. included within the **Completed Operations Hazard**; or
- C. of which liability is assumed by the **Insured** under an **Incidental Contract**.

VIII. CONDITIONS

A. LEGAL ACTION AGAINST THE COMPANY

A person or organization may bring **Suit** against the Company including, but not limited to, a **Suit** to recover on an agreed settlement or on a final judgement against an **Insured**; but the Company will not be liable for **Damages** that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Company, the **Insured** and the claimant or the claimant’s legal representative.

However, no action by an **Insured** shall lie against the Company unless there has been full compliance with all of the terms of this policy.

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B. ASSIGNMENT

Assignment of interest under this policy shall not bind the Company until its consent is endorsed herein; if, however, the **Named Insured** shall die, such insurance as afforded by this policy shall apply (1) to the **Named Insured's** legal representative as the **Named Insured**, but only while acting within the scope of his/her duties as such, and (2) with respect to the property of the **Named 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 immediately forward to the Company every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative.

The **Insured** and each of its employees 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 **Damage** with respect to which this insurance is afforded under this policy; and the **Insured**, and any of its members, partners, officers, directors, stockholders and employees that the Company deems necessary shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **Insured** shall not, except at the **Insured's** own cost, voluntarily make any payments, assume any obligations or incur any expense.

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

This insurance may be canceled on the customary short-rate basis by the **Named 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, subject always to the retention by the Company of any minimum premium stipulated herein (or proportion thereof previously agreed upon).

The earned portion of the premium shall be computed on the customary short-rate basis unless any state law or regulation of the state shown in the mailing address of the **Named Insured** in the Declarations requires that return premium be computed on a pro-rata basis, even in the event of cancellation by the **Named Insured**.

This insurance may also be canceled, 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 **Named Insured**, by first-class registered or certified mail, at the **Named Insured's** address last known to the Company or its authorized agent, 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

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Named Insured. In case of nonpayment of premium, only thirty (30) days written notice of cancellation must be given by the Company. Minimum premium shall not apply to the return of unearned premium if cancellation is 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 that was relied on by the Company, and such policy would not have been issued by the Company under the same terms and conditions if correct information had been disclosed;
- c. material failure to comply with any policy term, condition or contractual duty;
- 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 nonrenewal, is mailed to the **Named Insured** not less than ninety (90) days before the policy expires. "Nonrenewal" shall include the failure of the Company to offer a renewal policy which provides types and limits of coverage substantially equivalent to those contained in the expiring policy.

Any notice of cancellation or nonrenewal will be mailed by first-class registered or certified mail to the **Named 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 a 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. 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 or 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 a 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 **Claims Expenses** 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.

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I. REIMBURSEMENT

While the Company has no duty to do so, if the Company pays **Damages** or **Claims Expenses**:

- a. within the amount of the applicable Deductible;
- b. in excess of the applicable Limit of Liability,

all **Insureds** shall be jointly and severally liable to the Company for such amounts. Upon written demand, the **Insured** shall repay such amounts to the Company within thirty (30) days thereof. Failure to pay any amount indicated may lead to policy cancellation.

J. SUBROGATION

To the extent 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.

K. 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.

Premium designated in this policy is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the **Policy Period**. At the close of each period (or part thereof terminating with the end of the **Policy Period**) designated in the Declarations as the audit period the earned premium shall be computed for such period, and upon notice thereof to the **Named Insured**, shall become due and payable. If the total earned premium for the **Policy Period** is less than the premium previously paid, the Company shall return to the **Named Insured** the unearned portion paid by the **Named Insured**.

The **Named Insured** shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the Company at the end of the **Policy Period** and at such times during the **Policy Period** as the Company may direct.

L. INSPECTION AND AUDIT

The Company shall be permitted but not obligated to inspect the **Named 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 **Named 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 **Named Insured's** books and records at any time during the **Policy Period** and extensions thereof and within three years after the final termination of this policy as far as they relate to the subject matter of this insurance.

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



President



Secretary