

### LIBERTY INSURANCE UNDERWRITERS INC.

(A Stock Insurance Company, hereinafter the "Company")

#### HEALTHCARE PROFESSIONAL LIABILITY CLAIMS-MADE INSURANCE POLICY

**THIS IS A CLAIMS-MADE POLICY. PLEASE READ IT CAREFULLY. THE POLICY IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD UNLESS, AND TO THE EXTENT, THE EXTENDED REPORTING PERIOD OPTION APPLIES.**

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. COVERAGE

The Company will pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as **Damages** for **Claims** first made against the **Insured** and reported to the Company during the **Policy Period** or Extended Reporting Period, if applicable, as a result of **Bodily Injury, Property Damage** or **Personal Injury** caused by an **Incident**, provided always that such **Incident** happens:

- A. on or after the policy effective date shown on the Declarations; or
- B. on or after the effective date of the earliest Claims-Made Policy issued by the Company of which this policy is a renewal; or
- C. at any time prior to the policy effective date shown on the Declarations if:
  - 1. such **Incident** happens on or subsequent to the "Prior Acts Date" on the Declarations; and
  - 2. no **Insured** knew or could reasonably foreseen that such **Incident** might be expected to be the basis of a **Claim** or **Suit** on the effective date of this policy or the first Claims-Made Policy issued by the Company to which this policy is a renewal, whichever is earlier.

The Company will pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as **Damages** to which this insurance applies and 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** 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 **Claim Expenses** or judgments 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 **Named Insured** may engage additional counsel, solely at their expense, to associate in their defense of any **Claim** covered hereunder. **Claim Expenses** incurred by the Company shall be paid in addition to the applicable Limit 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 **Named Insured** to any settlement without their written consent. If the **Named 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

## Healthcare Professional Liability



for **Damages** and **Claim Expenses** shall not exceed the amount for which the **Claim** could have been settled as well as the **Claim Expenses** incurred by the Company or with the Company's consent up to the date of 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.

### 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 and any current or former partner thereof;
- D. If the **Named Insured** is other than a sole proprietorship or partnership, the organization so designated and any current or former owner, officer, director, trustee or stockholder thereof;
- E. Any current or former 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 person or entity listed as an Additional Insured on a Claims-Made Policy issued by the Company to which this policy is a renewal, but only for **Incidents** which happen during the time the Additional Insured Endorsement listing such person or entity was in force and solely for **Incidents** which are covered under the policy resulting from the sole negligence of the **Named Insured** or any employee thereof while acting within the scope of their duties for, and on behalf of, the **Named Insured**;
- G. 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**.

### III. LIMIT OF LIABILITY

Regardless of the number of **Insureds** under this insurance, the number of persons and/or organizations who sustain **Bodily Injury**, **Property Damage** and/or **Personal 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**" is the total limit of the Company's liability for all **Damages** for each **Incident** covered by the policy, including any Extended Reporting Period. 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.
- B. The Limit of Liability stated in the Declarations as "Aggregate" is, subject to the above provisions involving "each **Incident**", the total limit of the Company's liability under this policy, including any Extended Reporting Period, for all **Damages**.

The purchase of any Extended Reporting Period option shall not increase the Limit of Liability available under this insurance.

## Healthcare Professional Liability



### IV. DEDUCTIBLE

The **Insured** shall pay **Damages** and/or **Claim Expenses** for each **Incident** or **Occurrence** equal to the amount of the Deductible, if any specified in the Declarations. The Company's obligation to pay **Damages** and **Claim Expenses** on behalf of the **Insured** resulting from a **Claim** shall be in excess of the Deductible amount stated in the Declarations.

### V. POLICY PERIOD, TERRITORY

The insurance afforded by this policy applies to **Claims** which are first made and reported during the **Policy Period** for **Incidents** which occur anywhere in the world, provided **Claim** is made or **Suit**, if any, is brought within the United States of America, its territories or possessions, or Canada.

### VI. WHEN **CLAIM** IS TO BE CONSIDERED AS FIRST MADE

A **Claim** shall be considered as being first made at the earlier of the following times:

- A. when the Company first receives written notice from the **Insured** that a **Claim** has been made; or
- B. when the Company first receives written notice from the **Insured** of specific circumstances involving a particular person or entity which may result in a **Claim**.

All **Claims** arising out of the same or related **Incident** shall be considered as having been made at the time the first such **Claim** is made, and shall be subject to the same Limit of Liability and only a single Deductible, if any, shall apply.

### VII. SUPPLEMENTARY PAYMENTS

The Company will pay, in addition to the applicable Limit of Liability up to \$500 for loss of earnings to each individual **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 such **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.

### VIII. EXCLUSIONS

This insurance shall not apply:

- A. to any obligation for which any **Insured** or any carrier as their insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;
- B. 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 the **Damages** arising out of such injury;
- C. to any **Claim**, action, judgment, 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

## Healthcare Professional Liability



(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, clean up, remove contain treat detoxify or neutralize, or in anyway respond to, or assesses the effects of pollutants:
- D. to any dishonest, fraudulent, criminal or malicious acts or omissions of any **Insured**;
- E. 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;
- F. to any **Claim** made by an employer against an **Insured** who is a salaried employee of such employer;
- G. 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;
- H. to liability assumed by any **Insured** under any contract or agreement, except to the extent the **Insured** would be liable in the absence of such contract or agreement;
- I. 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 or any other facility not specified in the Declarations or any endorsement thereto;
- J. to **Claims** arising out of services performed by any **Insured** as a physician, surgeon, dentist, nurse midwife, chiropractor, podiatrist, osteopath, psychiatrist, attorney, accountant, financial advisor, investment consultant or real estate or insurance agent or broker;
- K. to **Claims** brought against any **Insured** arising out of any trade, business, employment, profession or occupation other than as specified in the Declarations or any endorsement thereto;
- L. 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

## Healthcare Professional Liability



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

M. 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 person for whom the **Insured** is legally responsible; and/or
2. 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 or 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 on 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**;

- N. to any **Claim** brought by or on behalf of any person employed by the **Insured**, any person who had been employed by the **Insured** or any person seeking employment by the **Insured** alleging any act or omission by an **Insured** with respect to the hiring, termination, compensation, or the tenure, term, condition, benefits or privilege of employment of any such person;
- O. 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** arises from services rendered in a patient or client relationship;
- P. as respects **Personal Injury** coverage, to **Personal Injury** arising out of:
1. the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the **Insured**,
  2. 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 **Named Insured** was made prior to the effective date of this coverage,
  3. 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.

### IX. DEFINITIONS

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



## Healthcare Professional Liability

**“Bodily Injury”** means bodily injury, sickness or disease, mental anguish, psychological injury or emotional distress sustained by any person, including death at any time resulting there from;

**“Claim”** means demand for money, or the filing of **Suit** naming the **Insured** and alleging a **Bodily Injury**, **Property Damage** or **Personal Injury** as a result of an **Incident**;

**“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 expense resulting from the investigation, adjustment, defense and appeal of a **Claim**, **Suit** or proceedings, arising in connection therewith, 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 therewith 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;

**“Damages”** means compensatory judgments, settlement 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 business or professional occupation specified 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 on **“Incident”** and be subject to the same Limit of Liability;

**“Insured”** means any person or organization qualifying as an **Insured** in the **“Persons Insured”** provision. The insurance afforded applies separately to each **Insured** against whom **Claim** is made or **Suit** is brought, except with respect to the limits of the Company’s liability;

## Healthcare Professional Liability



**“Named Insured”** means the person or 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, provided this insurance does not apply to **Bodily Injury, Property Damage or Personal Injury** 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, profession or occupation specified in the Declarations;

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

- A. false, detention or imprisonment, or malicious prosecution;
- 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;
- C. wrongful entry or eviction, or other invasion of the right of private occupancy;

**“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;

**“Property Damage”** means:

- A. physical injury to or destruction of tangible property, including the loss of use thereof at any time resulting therefrom;
- B. loss of use of tangible property which has not been physically injured or destroyed; 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 any **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.

### X. CONDITIONS

#### A. ASSISTANCE AND COOPERATION OF INSURED IN THE EVENT OF CLAIM OR SUIT

Upon the **Insured** becoming aware of any **Incident** which could reasonably be expected to be the basis of a **Claim** covered hereby, written notice shall be given by the **Insured** to the Company together with the fullest information obtainable. If **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 in enforcing any contribution or indemnity against any person or organization that may be liable to the **Insured** because of **Damages** with respect to which this insurance applies. The **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses; and the Company shall

## Healthcare Professional Liability



reimburse the **Insured** for reasonable expenses incurred at the Company's request. The **Insured** shall not, except at the **Insured's** own cost, voluntarily make any payments, assume any obligation or incur any expense.

### B. ASSIGNMENT

The interest of any **Insured** is not assignable. If any **Insured** shall die or be adjudged incompetent, this insurance shall thereupon terminate for such person but shall cover the **Insured's** legal representative as the **Insured** with respect to liability previously incurred and covered by this insurance. Pro-rata return premium will be computed from the date of termination.

### C. ACTION AGAINST COMPANY

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, but not until the amount of **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.

### D. 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 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.

### E. 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.

### F. CHANGES

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



## Healthcare Professional Liability



### G. BANKRUPTCY OR INSOLVENCY OF INSURED

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

### H. CANCELLATION

This insurance may be cancelled 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. 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 **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 **Named 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:

1. nonpayment of premium;
2. the policy was obtained through a material misrepresentation;
3. violation of any of the terms and conditions of the policy;
4. the risk originally accepted has measurably increased; or
5. loss by the Company of reinsurance which provided coverage for all or a substantial part of the risk insured.

### I. 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 sixty (60) days before the policy expires.

Any notice of 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.

### J. EXTENDED REPORTING PERIOD OPTION

In the case of:

1. cancellation or nonrenewal of this policy by the **Named Insured** or the Company for any reason other than flat cancellation by the Company effective at policy inception for non-payment of premium; or
2. advancing a retroactive or prior acts date from one previously applied by the Company:

## Healthcare Professional Liability



this policy will automatically be extended for a period of sixty (60) days from the date of such cancellation or non-renewal, but only for **Incidents** committed on or after any applicable retroactive date and prior to the effective date of such cancellation or non-renewal (Automatic Extended Reporting Period).

Furthermore, the **Named Insured** shall have the right, subject to the terms and conditions of this policy, or an endorsement attached thereto, to have an endorsement issued extending the time during which **Claims** can be reported (Supplemental Extended Reporting Period) for an additional premium of:

- i. 90% of the full annual premium for this policy, to a period of twelve (12) months;
- ii. 135% of the full annual premium for this policy, to a period of twenty-four (24) months;
- iii. 150% of the full annual premium for this policy, to a period of thirty-six (36) months; or
- iv. 175% of the full annual premium for this policy, to a period of sixty (60) months

following the effective date of such cancellation or nonrenewal in which to give written notice to the Company of **Claims** first made against the **Insured** during this Supplemental Extended Reporting Period for any **Incident** occurring prior to the termination of the final **Policy Period**, subject to its terms, limitations, exclusions and conditions. This right shall terminate sixty (60) days after the effective date of such action as is indicated in Subparagraphs (1.) or (2.) above unless written notice of such election, together with the additional premium is received by the Company or its authorized agent from the **Named Insured** within that sixty (60) day period.

At the commencement of any Supplemental Extended Reporting Period option, the entire premium therefore shall be deemed earned and the Company shall not be liable to return to the **Named Insured** any portion of the premium for the Extended Reporting Period.

The fact that the period during which **Claims** must be first made against the **Named Insured** under this policy is extended by virtue of any Extended Reporting Period option shall not in any way increase the Limit of Liability of this policy. The Limit of Liability available under any Extended Reporting Period Option shall be part of, and not in addition to, the Limit of Liability available under the last policy or renewal certificate issued to the **Named Insured**.

### K. DECLARATIONS AND APPLICATION

By acceptance of this policy, the **Insured** agrees that the statements in the Declarations and Application are the **Insured's** agreements and representations and 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.

### L. REIMBURSEMENT

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

1. within the amount of the applicable Deductible; and/or
2. 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 (30) days thereof.

## Healthcare Professional Liability



### M. 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.

### N. 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 benefits 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 (3) 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