In consideration of the payment of the premium and subject to the General Terms and Conditions ("GTC"), the Insurer and the **Insureds** agree as follows:

I. INSURING CLAUSE

The Insurer shall pay, on behalf of an **Insured**, **Loss** on account of a **Claim** first made during the **Policy Period.**

II. EXCLUSIONS

In addition to the Exclusions set forth in Section II. EXCLUSIONS of the GTC, no coverage shall be provided under this Coverage Part for **Loss** on account of that portion of a **Claim**:

A. Aircraft, Automobile, Mobile Equipment or Watercraft – for injury or damage arising out of the ownership, maintenance, use (including operation and loading and unloading) or entrustment to others of any aircraft, **Automobile**, **Mobile Equipment** or watercraft. This exclusion shall not apply to loading and unloading of **Patients**;

B. Contractual Liability – for any liability in connection with any contract, agreement, warranty or guarantee to which an **Insured** is a party, provided that this exclusion shall not apply:

1. to **Loss** to the extent that such **Insured** would have been liable for such **Loss** in the absence of such contract, agreement, warranty or guarantee, including for any **Medical Professional Injury**; or

2. to the extent coverage is provided for an **Insured Person** as defined in paragraph L. subparagraph 4. of Section V. GLOSSARY;

C. Directors And Officers – for any actual or alleged error, misstate, misleading statement, act or omissions, neglect, or breach of duty by a **Company's** directors or officers:

1. in the discharge or performance of their duties; and

2. while acting in their capacity as directors or officers,

including:

(a) any **Claims** for damages against any corporation brought by any director or officer for indemnification or reimbursement for; or

(b) any damages to which any director or officer is or was a party to, which is based upon an actual or alleged error, misstate, misleading statement, act or omissions, neglect, or breach of duty by a **Company's** directors or officers.

This exclusion shall not apply to any **Claim** for **Medical Professional Injury**;

D. Employer's Liability – for injury or damage to:

1. an **Employee** arising out of and in the course of:

(a) employment by an **Insured**; or

(b) performing duties related to the conduct of an **Insured's** business; or

2. the spouse, child, parent, brother or sister of that **Employee** as a consequence of the injury or damage stated in paragraph 1. above.

This exclusion shall apply:

i. whether the **Insured** may be liable as an employer in any other capacity; and

ii. to any obligation to share damages with or repay someone else who must pay damages due to such injury or damage;

E. Employment-Related Practices –

1. for injury or damage resulting from:

   (a) refusal of employment;

   (b) termination of employment; or

   (c) employment-related practices, policies, acts or omissions including coercion, demotion, evaluation, reassignment, discipline, false imprisonment, invasion of rights to privacy, infliction of emotional distress, defamation, harassment, humiliation or discrimination.

2. by the spouse, child, parent, brother or sister as a consequence of the injury or damage stated in paragraph 1. above;

F. License Restrictions – for injury or damage arising from **Medical Services** performed by an **Insured** whose required license, certification, or license to dispense or prescribe controlled substances is under suspension or has been restricted, revoked, surrendered, or otherwise terminated at the time such **Medical Services** take place;

G. Non-FDA Approved – for injury or damage arising out of the design, manufacture, use, purchase, distribution, promotion, or sale of any non-FDA approved medication, device, equipment or protocol. However, this exclusion shall not apply to **Professional Services** related to a clinical trial of such non-FDA approved medication, device or equipment or protocol when the applicable Institutional Review Board has made written approval of the trial;

H. Other Coverage Parts – that is covered under any other Coverage Part attached to this Policy, unless otherwise stated;

I. Prior Knowledge – based upon, arising out of or resulting from any **Wrongful Act** committed prior to the **First Inception Date**, if, on or before such date, any **Insured** knew or could reasonably have foreseen that such **Wrongful Act** would result in a **Claim**; and

J. Qui tam – for injury or damage arising out of any qui tam or similar **Claim**.

III. LIMIT OF LIABILITY

The Errors & Omissions Combined Aggregate Limit of Liability stated in Item 3 of the Declarations of this Coverage Part represents the maximum amount payable for all **Loss** under this Coverage Part during the **Policy Period** for all Coverage Sub-Parts combined.

IV. OTHER INSURANCE

With the exception of insurance which is written specifically as excess of the Limit of Liability of this Coverage Part, this Coverage Part shall be excess of and shall not contribute with any valid and collectible insurance providing coverage for **Loss** for which this Coverage Part provides coverage, provided that any payment by an **Insured** of a retention or deductible under any such other insurance shall reduce the Retention or Deductible under this Coverage Part by the amount of such payment which would otherwise have been **Loss** under this Coverage Part.

V. GLOSSARY

A. **Administration** means:

1. handling records in connection with;
2. initiating, continuing or terminating an **Employee's** participation in any benefit included in; or
3. providing information to **Employees**, including their dependents and beneficiaries, with respect to eligibility for or scope of,

Employee Benefit Programs. **Administration** does not include handling payroll deductions.

B. **Administrative Services** means:

1. services as a **Formal Review Board** member; or

2. planning, organizing, directing and controlling, on the **Company's** behalf, the medical operations of the **Company** by or on behalf of an **Administrator**.

Administrative Services do not include:

(a) billing services;

(b) employment benefit plan, program or policy consultation, administration or implementation;

(c) administration of insurance plans, including **Claims**, **Administration**, billing and collection services;

(d) recording of accounts or monetary transactions, financial reporting and budgeting;

(e) marketing and advertising activities;

(f) case management, utilization management or **Utilization Review**, performed for others;

(g) quality assurance and risk management activities, performed for others; or

(h) designing, developing, programming, distributing, installing, licensing, servicing, and maintaining computer hardware and software, including web-based applications, websites and online services.

C. **Administrator** means any natural person who was, now is or shall become an **Executive**, superintendent, medical director, **Formal Review Board** member, staff member or stockholder of the **Company**, but solely to the extent that he or she performs **Administrative Services** on the **Company's** behalf.

D. **Automobile** means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment.

E. **Circumstance** means any act, error, omission, fact, situation, or **Wrongful Act** that takes place during the **Policy Period** and that could give rise to a **Claim**.

Circumstance may include:

1. class action suits;
2. birth related injuries (including maternal or fetal death; anesthesia related injuries; infant resuscitation; shoulder dystocia; or cerebral palsy);
3. any sentinel event;
4. unanticipated neurological, sensory and/or systemic deficits; brain damage; permanent paralysis (including paraplegia and quadriplegia); partial or complete loss of sight or hearing; kidney failure or sepsis;
5. failure to diagnose cancer;
6. severe internal injuries (including lacerations of organs); infectious process; foreign body retention; sensory organ injury; or reproductive organ injury;
7. unexpected death; or
8. severe burns (including thermal, chemical, radiological or electrical burns).

F. **Claim** means any:

1. written demand for monetary or non-monetary (including injunctive) relief, including a demand for arbitration, mediation or waiving or tolling of a statute of limitations; and

2. civil proceeding, evidenced by the service of a complaint or similar pleading,

against an **Insured** for a **Wrongful Act**, including any appeal therefrom. The time when a **Claim** shall be deemed first made for the purposes of this Coverage Part shall be the date on which the **Claim** is first made against, served upon or received by the **Insured**.

However, the Insurer shall not consider a patient incident report, variance report, or any other report made for loss prevention purposes, to be a **Claim**, even if the **Company** sends it to the Insurer or one of the Insurer's agents.

G. **Defense Costs** means that part of **Loss** consisting of:

1. reasonable costs, charges, fees (including, attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of any **Insured**, unless specified in paragraph 3, below) incurred in investigating, defending, opposing or appealing any **Claim**;

2. the premium for appeal, attachment or similar bonds (but the Insurer shall be under no obligation to furnish any bond); and

3. all reasonable expenses, plus loss of earnings due to time off from work, incurred by an **Insured** as a result of being a defendant or co-defendant in a **Claim** or at the Insurer's request, but not to exceed $500 per day per **Insured** and $12,500 per **Claim**.

H. **Employee Benefit Program** means any group life insurance, group accident and health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers' compensation, unemployment insurance, social security and disability benefits insurance or any other similar plan under the **Administration** of the **Company** for the benefit of **Employees**.

I. **First Inception Date** means the inception date of the first Errors and Omissions Liability Coverage Part and applicable Coverage Sub-Part issued to the **Parent Company** by the Insurer

J. **Formal Review Board** means the **Company's** official boards or committees formed for the purposes of:

1. evaluating the qualifications or performance of the **Company's** professional staff; or

2. evaluating, maintaining and ensuring the quality of **Professional Services** being provided at the **Company's** healthcare facility.

K. **Insured** means any **Company** or **Insured Person**.

L. **Insured Person** means:

1. any person who is or becomes an **Executive**, **Employee**, **Administrator** or **Volunteer Worker** during the **Policy Period**;

2. any **Employee** for any:

   (a) **Occurrence**; or

   (b) act or omission in the providing or failure to provide **Professional Services**,

   arising out of such **Employee's** rendering of emergency first aid outside of their duties as an **Employee**, provided the emergency first aid is rendered without the expectation or receipt of remuneration;

3. any medical directors for **Administrative Services** that are performed as part of their employment duties for the **Company**; or

4. any person or organization to whom or to which the **Company** is obligated by virtue of a written contract or agreement:

   (a) to add to this Policy as an additional insured for its liability; or

   (b) to hold harmless or indemnify such person or organization,

   but such person or organization is an **Insured** exclusively for the vicarious liability imposed upon such person or organization because of acts, errors or omissions in the rendering of covered **Professional Services** by the **Company**, and only to the extent of the Limits of Liability required by such contract or agreement, not to exceed the Limits of Liability of this Policy. However, this provision shall not apply:

   i. unless the written contract or agreement has been executed prior to the act, error or omission in the rendering of **Professional Services** upon which a **Claim** is based. The contract or agreement will be considered executed on the earliest date of when the **Insured's** performance begins, or when it is signed; or

   ii. to any person or organization for its liability arising out of its own acts, errors or omissions.

   Where required by such written contract or agreement, coverage for such person or organization shall be primary and non-contributory as respects any other insurance policy issued to such additional insured. Otherwise, Section IV. OTHER INSURANCE as set forth in this Coverage Part shall apply.

Insured Person, unless scheduled by endorsement, does not include any:

a. nurse midwife, intern, extern, resident or dental, osteopathic or medical doctor for any injury, including death, to others, that results from acts or omissions in the providing of or failure to provide **Professional Services**; or

b. person or organization with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not the **Parent Company**.

M. **Loss** means the amount that an **Insured** becomes legally obligated to pay on account of any **Claim** including:

1. compensatory damages;
2. judgments and settlements;
3. pre and post-judgment interest;
4. **Defense Costs**; and
5. punitive, exemplary or multiplied damages, if and to the extent that any such damages are insurable under the law of the jurisdiction most favorable to the insurability of such damages.

In determining the most favorable jurisdiction as set forth in paragraph 5 above, due consideration shall be given to the jurisdiction with a substantial relationship to the relevant **Insureds**, to the **Company** or to the **Claim** giving rise to such damages, and the Insurer shall not challenge any opinion of independent legal counsel (mutually agreed to by the Insurer and the **Insured**) that such damages are insurable under applicable law.

Loss does not include any portion of such amount that constitutes any:

(a) amount not insurable under the law pursuant to which this Coverage Part is construed;

(b) cost incurred to comply with any order for injunctive or other non-monetary relief, or to comply with an agreement to provide such relief;

(c) liquidated damages, except to the extent that the amount of such damages is equal to the amount of **Loss** resulting from a **Wrongful Act**;

(d) return of any fee, charge, commission, gain or other compensation paid to an **Insured**;

(e) tax, fine or penalty imposed by law; or

(f) the payment, satisfaction or writing off of any medical bills or charges by an **Insured**.

N. **Medical Event** means any error, act or omission in the rendering of, or failure to render, **Professional Services** by an **Insured**. A series of any such related errors, acts or omissions by an **Insured** shall be considered one **Medical Event**.

O. **Medical Professional Injury** means injury, including death, to others due to a **Medical Event**.

P. **Mobile Equipment** means equipment of a mobile nature used as part of the **Company's** business operations.

Mobile Equipment does not include:

1. self-propelled vehicles designed and used primarily to carry mounted equipment; or
2. vehicles designed for highway use that are unlicensed and not operated on public roads.

Q. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in injury neither expected nor intended from the standpoint of the **Insured**.

R. **Wrongful Act** means as described in the applicable Coverage Sub-Part.

POLICY NUMBER:

QBE Specialty Insurance Company
One General Drive, Sun Prairie, WI 53596

Home Office: c/o CT Corporation System, 314 East Thayer Avenue, Bismarck, North Dakota 58501

The Solution for Medical Professional Medical Facilities and Providers –
Errors and Omissions Liability Coverage Part Declarations

THIS COVERAGE PART AND CERTAIN COVERAGE SUB-PARTS PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY TO PAY JUDGMENTS OR SETTLEMENT AMOUNTS MAY BE REDUCED AND EXHAUSTED BY PAYMENT OF DEFENSE COSTS. PLEASE READ THIS POLICY CAREFULLY.

Item 1: Parent Company:

Item 2: Limits of Liability, Retentions and Retroactive Dates:

Coverage Sub-Part	Limit of Liability		Retention		Retroactive Date
A. Professional Liability	$ $	any one Claim in the aggregate	$	per Claim	[ ]
B. Sexual Misconduct Liability	$ $	any one Claim in the aggregate	$	per Claim	[ ]
C. Employee Benefit Liability	$ $	any one Claim in the aggregate	$	per Claim	[ ]

Item 3: Errors and Omissions Combined Aggregate Limit of Liability: $

Item 4. Additional Coverages

A. Hearing Cost Reimbursement Schedule

Physician	$ $	any one Hearing in the aggregate

1.
2.
3.
4.

B. Patient Property Limit of Liability $

QBE SPECIALTY INSURANCE Co.

The Solution for Medical Professional
Medical Facilities and Providers –
Professional Liability Coverage Sub-Part

In consideration of the payment of the premium and subject to the General Terms and Conditions ("GTC") and the Errors and Omissions Liability Coverage Part, the Insurer and the **Insureds** agree as follows:

I. ADDITIONAL COVERAGES

A.. Hearing Cost Reimbursement – The Insurer shall reimburse the **Company** for **Hearing Costs** arising out of **Hearings** involving physicians named in the schedule set forth in paragraph A. of Item 4. in the Errors and Omissions Liability Coverage Part Declarations, provided such **Hearings** result from a **Medical Professional Injury**. The Insurer shall have no duty to defend any physician in any **Hearing.**

The Retention or Deductible stated in paragraph A. of Item 2. in the Errors and Omissions Liability Coverage Part Declarations shall not apply to this Additional Coverage.

This Additional Coverage shall not apply to any **Hearing** based upon, arising out of or resulting from:

1. the appointment or reappointment of medical staff or the revocation or restriction of medical staff privileges by any health care facility or managed care organization;

2. disputes over timely completion or alteration of medical records;

3. fraud, abuse or willful non-compliance with the rules and regulations of Medicaid or Medicare or any other program of a local, state or federal agency;

4. allegations of substance abuse by the physician; or

5. allegations of improper prescription of any medication, including prescriptions provided without appropriate history or physical.

B. Damage To Patient's Property – the Insurer shall pay up to the amount stated in paragraph B. of Item 4. in the Errors and Omissions Liability Coverage Part Declarations for **Loss** due to **Property Damage** to a **Patient's** tangible property if resulting directly from the performance or failure to perform **Professional Services**. The Insurer shall make payments under this Additional Coverage regardless of fault.

II. LIMIT OF LIABILITY

A. The Professional Liability aggregate Limit of Liability stated in Item 2.A of the Errors and Omissions Liability Coverage Part Declarations is the most the Insurer shall pay for all **Loss** under this Coverage Sub-Part during the **Policy Period**. This Limit of Liability is part of, and not in addition to, the Limit of Liability shown in in Item 3. of the Errors and Omissions Liability Coverage Part Declarations.

B. The Professional Liability any one Claim Limit of Liability stated in Item 2.A of the Errors and Omissions Liability Coverage Part Declarations is the most the Insurer shall pay for all **Loss** because of injury arising out of any one **Wrongful Act**.

C. Payments of **Defense Costs** shall not reduce the Limits of Liability. The Insurer's duty to pay **Defense Costs** shall end when Limits of Liability have been exhausted by the payment of judgments or settlements.

D. As respects Hearing Cost Reimbursement**:**

1. Subject to the Professional Liability aggregate Limit of Liability set forth in paragraph A. above, the hearing cost per physician aggregate limit stated in the schedule set forth in Item 4. of the Errors and Omissions Liability Coverage Part Declarations is the most the Insurer shall pay for all **Hearing Costs** regarding any one physician.

2. Subject to the hearing cost per physician aggregate limit stated in paragraph 1. above, the per hearing per physician limit stated in the schedule set forth in Item 4. of the Errors and Omissions Liability Coverage Part Declarations is the most the Insurer shall reimburse for costs associated with any one **Hearing** regarding any one physician.

3. These Limits of Liability are part of, and not in addition to, the Professional Liability aggregate Limit of Liability stated in Item 2.A. of the Errors and Omissions Liability Coverage Part Declarations.

E. As respects Damage To Patients Property, payments under that Additional Coverage shall not exceed the amount stated in paragraph A. of Item 2. in the Errors and Omissions Liability Coverage Part Declarations for all such **Loss** resulting from all **Professional Services**, regardless of the number of **Patients** whose tangible property is injured.

III. GLOSSARY

A. **Hearing** means investigations conducted, or administrative proceedings or actions brought, by state medical licensing boards.

B. **Hearing Costs** means reasonable and necessary attorney and expert consultant fees, including, investigation, travel, costs of transcripts and filing fees, incurred in the defense of an administrative proceeding or action. **Hearing Costs** associated with appeals are considered part of those incurred during the original proceeding. **Hearing Costs** does not include salary, charges or incidental expenses of **Employees**, **Administrators** or agents; or any sanctions, penalties or fines imposed by a medical licensing board.

C. **Wrongful Act** means any:

1. **Medical Event** that results in a **Medical Professional Injury**;

2. inadvertent:

(a) publication of **Personal Information**; or

(b) utterance of confidential health care or other medical information,

of a **Patien**t by an **Insured** while providing **Medical Services** to such **Patient**; or

3. error, act or omission, committed by any person other than an **Insured** in rendering or failure to render **Medical Services**, but only for an **Insured's** vicarious liability with regard to such **Medical Services**,

happening on or after the **Retroactive Date** and prior to the end of the **Policy Period**.