



HOUSTON CASUALTY COMPANY

ADMINISTRATIVE OFFICES: 13403 NORTHWEST FREEWAY, HOUSTON, TEXAS 77040

SOCIAL SERVICES PROFESSIONAL LIABILITY AND GENERAL LIABILITY INSURANCE DECLARATIONS (CLAIMS MADE AND REPORTED POLICY)

- 1. **Named Insured:** «Declarations.InsuredFullName»
- 2. **Address:** «Declarations.Insuredstreetaddress»
 «Declarations.Insuredcity», «Declarations.Insuredstate» «Declarations.Insuredzip»
- 3. **Professional Services:** «Declarations.DescriptionofOperations»
- 4. **Policy Number:** «Declarations.PolicyNo» **Renewal of:** «Declarations.Renewal.PolicyNo»
- 5. **Policy Period:** Effective Date: «Dec.EffectiveDate» to Expiration Date: «Dec.ExpirationDate»
(12:01 a.m. Local Time at the Address of the **Named Insured** stated in Item 2 above)
- 6. **Retroactive Date:** Professional Liability Coverage - «Declarations.SSPLRetroactiveDate»
 General Liability Coverage - «Declarations.SSGLRetroactiveDate»
- 7. **Knowledge Date:** Professional Liability Coverage - «Declarations.SSPLKnowledgeDate»
 General Liability Coverage - «Declarations.SSGLKnowledgeDate»
- 8. **Limits of Liability:** Professional Liability Each **Claim** Limit: \$«Declarations.LimitofLiability»
 Professional Liability Aggregate Limit: \$«Declarations.LimitofLiability»
 General Liability:
 Bodily Injury/Property Damage: \$«Declarations.LimitofLiability» Each **Claim**
 Personal/Advertising Injury: \$«Declarations.LimitofLiability» Each **Claim**
 Products/Completed Operations: \$«Declarations.LimitofLiability» Aggregate
 Fire Damage: \$«Declarations.LimitofLiability» Any One Fire
 Medical Payments: \$«Declarations.LimitofLiability» Any One Person
 General Liability Aggregate Limit: \$«Declarations.LimitofLiability»
- 9. **Deductible:** Professional Liability: \$«Declarations.Deductible» Each **Claim**
 General Liability: \$«Declarations.Deductible» Each **Claim**
- 10. **Premium:** \$«Declarations.Premium»
 «Taxes.Description» «Taxes.BilledAmt»
- 11. **How to Report a Claim:**

Report any **Claim** or potential **Claim** to:

Tokio Marine HCC – Cyber & Professional Lines Group
Claims Department
16501 Ventura Blvd., Suite 200
Encino, CA 91436
Claims Telephone Number: 888-627-8995
Claims Email Address: submitclaims@tmhcc.com



TOKIO MARINE
HCC

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Schedule of Endorsements

It is hereby agreed that the following endorsements are attached to and are made a part of this Policy at the time of issue:

«Endorsements.EndoNum»

«Endorsements.FormCode»

«Endorsements.FormName»

«Declarations.SignedBy(image)»

SPECIMEN

Professional Liability and General Liability Insurance

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PROFESSIONAL LIABILITY AND GENERAL LIABILITY

THIS IS A CLAIMS-MADE-AND-REPORTED POLICY. THIS POLICY IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD OR AN OPTIONAL EXTENDED REPORTING PERIOD (IF APPLICABLE) AND REPORTED TO THE COMPANY IN WRITING PURSUANT TO THE TERMS AND CONDITIONS OF THIS POLICY. LOSS AND CLAIM EXPENSES REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW THIS POLICY CAREFULLY WITH YOUR INSURANCE BROKER OR ADVISOR.

In consideration of the payment of the premium, the undertaking of the **Named Insured** to pay the Deductible herein, and in reliance upon all statements made and information in the **Application**, which is deemed attached hereto and made a part of this Policy, and subject to the Limit of Liability and Deductible, as well as all the terms, conditions, limitations and exclusions of this Policy, the Company agrees with the **Named Insured** as follows:

The Company shall mean the insurance carrier set forth in the Declarations of this Policy.

I. INSURING AGREEMENTS

(A) Professional Liability Coverage

The Company shall pay **Loss** and **Claim Expenses**, in excess of the Deductible and subject always to the Professional Liability Limit of Liability, that an **Insured** becomes legally obligated to pay as a result of a **Claim** made against an **Insured** for a **Wrongful Act** arising from **Professional Services**, provided always that: (1) the **Claim** is first made against the **Insured** during the **Policy Period** or the Optional Extended Reporting Period, if applicable, and reported to the Company in writing pursuant to Section **VII.** of this Policy; (2) the **Named Insured's** partners, principals, officers, directors or risk managers had no knowledge of any circumstance, dispute, situation or incident that could reasonably have been expected to give rise to such **Claim** prior to the Knowledge Date set forth in the Declarations of this Policy; and (3) the **Wrongful Act** is committed or allegedly committed on or after the Retroactive Date set forth in the Declarations of this Policy and prior to the end of the **Policy Period**.

Section **I.(B)** below shall apply only when the Declarations of this Policy indicates that General Liability Coverage has been purchased. Further, if "Nil", "N/A" or "not applicable" is indicated on the Declarations for any General Liability Insuring Agreement, that portion of this Policy shall not apply.

(B) General Liability Coverage

(1) Bodily Injury and Property Damage Coverage

The Company shall pay **Loss** and **Claim Expenses**, in excess of the Deductible and subject always to the General Liability Limit of Liability, that an **Insured** becomes legally obligated to pay as a result of a **Claim** made against an **Insured** for **Bodily Injury** or **Property Damage** caused by a **General Liability Incident**, provided always that: (a) the **Claim** is first made against the **Insured** during the **Policy Period** or the Optional Extended Reporting Period, if applicable, and reported to the Company in writing pursuant to Section **VII.** of this Policy; (b) the

Named Insured's partners, principals, officers, directors or risk managers had no knowledge of any circumstance, dispute, situation or incident that could reasonably have been expected to give rise to such **Claim** prior to the Knowledge Date set forth in the Declarations of this Policy; and (c) the **General Liability Incident** occurs on or after the Retroactive Date set forth in the Declarations of this Policy and prior to the end of the **Policy Period**.

(2) **Personal and Advertising Injury Coverage**

The Company shall pay **Loss** and **Claim Expenses**, in excess of the Deductible and subject always to the General Liability Limit of Liability, that an **Insured** becomes legally obligated to pay as a result of a **Claim** made against an **Insured** for **Personal Injury** or **Advertising Injury** caused by a **General Liability Incident**, provided always that: (a) the **Claim** is first made against the **Insured** during the **Policy Period** or the Optional Extended Reporting Period, if applicable, and reported to the Company in writing pursuant to Section VII. of this Policy; (b) the **Named Insured's** partners, principals, officers, directors or risk managers had no knowledge of any circumstance, dispute, situation or incident that could reasonably have been expected to give rise to such **Claim** prior to the Knowledge Date stated in the Declarations of this Policy; (c) the **General Liability Incident** occurs on or after the Retroactive Date set forth in the Declarations of this Policy and prior to the end of the **Policy Period**; (d) the **Personal Injury**, if applicable, is caused by an offense arising out of the conduct of the **Named Insured's** business, excluding advertising, publishing, broadcasting or telecasting done by, or for the benefit of, the **Named Insured**; and (e) the **Advertising Injury**, if applicable, is caused by an offense committed in the course of advertising the **Named Insured's** goods, products or services.

(3) **Fire Damage Coverage**

The Company shall pay **Loss** and **Claim Expenses**, in excess of the Deductible and subject always to the Fire Damage Limit of Liability, that an **Insured** becomes legally obligated to pay as a result of a **Claim** made against an **Insured** for **Property Damage** to structures or premises, or portions thereof, including fixtures permanently attaching thereto, that are rented by or leased to the **Named Insured** provided always that: (a) the **Property Damage** results from a fire; (b) the **Property Damage** occurs to structures or premises at which the **Named Insured** provides **Professional Services**; (c) the fire and the resulting **Property Damage** occur during the **Policy Period**; (d) the **Claim** is first made against the **Insured** during the **Policy Period** or the Optional Extended Reporting Period, if applicable, and reported to the Company in writing pursuant to Section VII. of this Policy; and (e) the **Named Insured's** partners, principals, officers, directors or risk managers had no knowledge of any circumstance, dispute, situation or incident that could reasonably have been expected to give rise to such **Claim** prior to the Knowledge Date set forth in the Declarations of this Policy.

(4) **Medical Payments Coverage**

The Company shall pay **Medical Expenses**, in excess of the Deductible and subject always to the Medical Payments Limit of Liability, for **Bodily Injury** caused by a **General Liability Incident**:

- (a) on premises the **Named Insured** owns or rents;
- (b) on ways next to premises the **Named Insured** owns or rents; or
- (c) because of the **Named Insured's** operations,

provided always that:

- (a) the **General Liability Incident** occurs in the Coverage Territory;
- (b) the **General Liability Incident** occurs on or after the Retroactive Date set forth in the Declarations of this Policy and prior to the end of the **Policy Period**;
- (c) a **Claim** for **Loss** is first made against an **Insured** during the **Policy Period** or the Optional Extended Reporting Period, if applicable, and reported to the Company in writing pursuant to Section **VII.** of this Policy;
- (d) the **Named Insured's** partners, principals, officers, directors or risk managers had no knowledge of any circumstance, dispute, situation or incident that could reasonably have been expected to give rise to such **Claim** prior to the Knowledge Date set forth in the Declarations of this Policy;
- (e) the **Medical Expenses** are incurred and reported to the Company within one year of the date of the **General Liability Incident**; and
- (f) the injured person submits to examination, at the Company's expense, by physicians of the Company's choice as often as the Company may reasonably require.

The Company will pay **Medical Expenses** regardless of fault; however, the Company's payment of **Medical Expenses** shall not exceed the Medical Payments Limit of Liability, as set forth in the Declarations of this Policy.

II. DEFENSE, SETTLEMENT AND INVESTIGATION OF CLAIMS

(A) Defense

The Company shall have the right and duty to defend any **Claim** to which this Policy applies, even if any of the allegations are groundless or false. The Company has the sole right to select and appoint legal counsel to represent any **Insured** with respect to any **Claim** to which this Policy applies. The Company's duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability and, in such event, an **Insured** shall promptly take over control of the defense in accordance with Section **X.** of this Policy.

(B) Investigation and Settlement of Claims

- (1) An **Insured** shall not, except at its own expense, incur any **Claim Expenses**, engage in settlement negotiations, enter into any settlement agreement, make any payment, agree to make any payment, admit any liability, assume any obligation or incur any expense without the prior written consent of the Company, such consent not to be unreasonably withheld. The Company shall not be liable for any **Claim Expenses, Loss** or assumed obligation or admission to which it has not given its prior written consent.
- (2) The Company shall have the right and sole discretion to conduct any investigation it deems necessary.

- (3) The Company shall have the right and sole discretion to settle any **Claim** it deems reasonable and necessary.

III. DEFINITIONS

- (A) **“Act of Terrorism”** means an act, including but not limited to, the use of force or violence or the threat thereof, by any person or group, whether acting alone or on behalf of or in connection with any organization or government, which is committed for political, religious, ideological or similar purposes, including the intention to influence any government, or put the public, or any section of the public, in fear.
- (B) **“Administrative Duties”** means activities of a **Medical Director** in the overall supervision, oversight and coordination of the operations of the **Named Insured**, including, but not limited to, hiring, training and monitoring of staff; development, implementation and evaluation of policies, protocols, procedures and programs; scheduling; serving as a liaison between medical staff and administrative or non-medical personnel; and performance improvement functions, including but not limited to, patient complaint or survey reviews. **“Administrative Duties”** do not include **Direct Patient Care** or **Indirect Patient Care**.
- (C) **“Advertising Injury”** means an injury caused by any of the following offenses in the advertising of **Professional Services**:
- (1) oral or written publication, in any manner, of material that libels or slanders a person or an organization, or disparages a person or an organization’s goods, products or services;
 - (2) oral or written publication, in any manner, of material that violates a person’s right of privacy;
 - (3) the unauthorized taking of advertising ideas or style of doing business; or
 - (4) infringement of copyright, title or slogan.
- (D) **“Application”** means all applications, including any attachments thereto, and all other information and materials submitted by or on behalf of any **Insured** to the Company in connection with the underwriting of this Policy, or any other policy of which this Policy is a direct renewal or replacement. All such applications, attachments, information and materials are considered attached to and incorporated into this Policy.
- (E) **“Auto”** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.
- “Auto”** includes self-propelled vehicles with the following types of permanently attached equipment:
- (1) equipment designed primarily for:
 - (a) snow removal;
 - (b) road maintenance, but not construction or resurfacing; or
 - (c) street cleaning;
 - (2) cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, “**Auto**” does not include **Mobile Equipment**.

(F) “**Bodily Injury**” means physical injury, sickness, disease or death suffered by a person. “**Bodily Injury**” does not include mental anguish, mental injury or emotional distress unless due to physical injury, sickness or disease.

(G) “**By-Product Material**” has the same meaning as defined in the Atomic Energy Act of 1954 or any amendments thereto.

(H) “**Claim**” means:

- (1) a written demand made against an **Insured** for monetary or non-monetary relief; or
- (2) any civil or arbitration proceeding commenced by the service of a complaint or similar pleading and initiated against an **Insured**, including any appeal thereof.

“**Claim**” does not include any criminal proceedings initiated against any **Insured**.

A **Claim** will be deemed to have been first made against an **Insured** when any **Insured** first receives written notice of such **Claim**.

(I) “**Claim Expenses**” means:

- (1) reasonable and necessary legal fees and expenses charged by an attorney selected and appointed by the Company in defense of a **Claim**; and
- (2) other reasonable and necessary fees, costs or expenses incurred in the investigation, settlement, defense and appeal of a **Claim**, if incurred by the Company or an attorney selected and appointed by the Company or by an **Insured** with the prior written consent of the Company, including the cost of appeal bonds and the cost of bonds to release property being used to secure a legal obligation, but only for bond amounts within the Limit of Liability. However, the Company shall have no obligation to apply for or furnish any bond for appeal, injunction, attachment or similar purpose.

“**Claim Expenses**” does not include:

- (1) the salaries, wages, overhead, administrative costs or lost earnings of any **Insured**;
- (2) any amounts incurred in defense of any **Claim** for which any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes such duty;
- (3) any fees, costs or expenses incurred in any criminal proceedings or criminal actions against any **Insured**; or
- (4) salaries and expenses of the Company’s employees, or its in-house or coverage attorneys, or the fees and expenses of independent adjusters the Company hires.

(J) “**Direct Patient Care**” means any direct patient contact or treatment, including consultation, diagnostic tests and procedures, therapeutic procedures, pathological analyses and reports, and any other direct medical or health services.

(K) “**Employee**” means any individual who has been hired by the **Named Insured** to perform services either on a full-time or part-time basis, to whom wages or salary are paid, on

whose behalf federal, state and/or local taxes are withheld and for whom benefits are provided pursuant to the applicable workers' compensation law.

- (L) **“General Liability Incident”** means an accident that results in **Bodily Injury** to any natural person other than a patient, client or resident of the **Named Insured**, or **Property Damage**, or a loss that results in **Personal Injury** or **Advertising Injury**, neither expected nor intended from the standpoint of an **Insured**. **“General Liability Incident”** does not include any **Wrongful Act**.
- (M) **“Hazardous Properties”** means radioactive, toxic or explosive properties.
- (N) **“Impaired Property”** means tangible property, other than **Your Product** or **Your Work**, that cannot be used or is less useful because:
- (1) it incorporates **Your Product** or **Your Work** that is known or thought to be defective, deficient, inadequate or dangerous; or
 - (2) an **Insured** has failed to fulfill the terms of a contract or agreement,
- if such property can be restored to use by the repair, replacement, adjustment or removal of **Your Product** or **Your Work** or by an **Insured** fulfilling the terms of the contract or agreement.
- (O) **“Indirect Patient Care”** means activities of a **Medical Director** in providing patient health services which do not involve or require direct interaction with patients, such as medical chart sign off or review and consultation with the medical staff of the **Named Insured** regarding patient care, medical services, treatment or diagnoses. **“Indirect Patient Care”** does not include **Direct Patient Care**.
- (P) **“Insured”** means:
- (1) the **Named Insured**;
 - (2) any **Employee**, but only while acting within the course and scope of his or her duties as such;
 - (3) if the **Named Insured** is a joint venture or partnership, any member or partner of the **Named Insured**, but only while acting within the course and scope of his or her duties as such;
 - (4) any executive officer, member of the board of directors, trustee or governor of the **Named Insured**, but only while acting within the course and scope of his or her duties as such;
 - (5) any authorized student, volunteer, intern or resident of the **Named Insured**, but only while acting within the course and scope of his or her duties as such;
 - (6) any independent contractor of the **Named Insured**, but only while acting on behalf of the **Named Insured** and provided the **Named Insured** is also named in any **Claim** made against such independent contractor;
 - (7) any **Medical Director**, but only while performing **Administrative Duties** or **Indirect Patient Care** on behalf of the **Named Insured**;
 - (8) any **Temporary Worker**, but only while acting within the course and scope of his or her employment by, or contract with, the **Named Insured**;
 - (9) any member of a formal accreditation or standards review board or committee or similar professional board or committee of the **Named Insured**, or any **Employee**

- charged with the duty of executing the directives of such professional board or committee, or any **Employee** of the **Named Insured** communicating information to such professional board or committee, but only while such member or **Employee** of the **Named Insured** is acting within the scope of their duties as such;
- (10) any government authority, funding source or institution, but only with respect to liability arising out of the operations of the **Named Insured** and provided the Company has agreed to provide coverage under this Policy for such government authority, funding source or institution, as evidenced by the issuance of an Endorsement to this Policy, prior to the commission of any **Wrongful Act** or occurrence of any **General Liability Incident** that gives rise to a **Claim** against such government authority, funding source or institution;
 - (11) any person or organization having proper temporary custody of an **Insured's** property due to such **Named Insured's** death, but only:
 - (a) with respect to liability arising out of the maintenance or use of that property; and
 - (b) until such **Named Insured's** legal representative has been appointed.
 - (12) a **Named Insured's** legal representative if such **Named Insured** dies, but only with respect to their duties as such and provided that such representative will assume such **Named Insured's** rights and duties under this Policy.

“**Insured**” does not include any **Provider** unless the Company has agreed to provide coverage under this Policy for such **Provider**, as evidenced by the issuance of an Endorsement to this Policy.

(Q) “Insured Contract” means:

- (1) a contract for a lease of premises;
- (2) a sidetrack agreement;
- (3) an easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- (4) any other easement agreement, except in connection with construction or demolition operations on or within fifty (50) feet of a railroad;
- (5) an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- (6) an elevator maintenance agreement; or
- (7) that part of any other contract or agreement pertaining to operation of the **Named Insured's** business under which the **Named Insured** assumes the tort liability of another party to pay **Loss** because of **Bodily Injury** or **Property Damage** to a third person or organization, if the contract or agreement is made prior to the **Bodily Injury** or **Property Damage**. “Tort liability” means a liability that would be imposed by law in the absence of any contract or agreement.

“**Insured Contract**” does not include that part of any contract or agreement:

- (1) that indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) preparing, approving, or failing to prepare or approve, maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) giving directions or instruction, or failing to give them, if that is the primary cause of the injury or damage;

- (2) under which any **Insured**, if an architect, engineer or surveyor, assumes liability for **Bodily Injury** or **Property Damage** arising out of an **Insured's** rendering of or failure to render **Professional Services**, including those listed in paragraph (1) immediately above, and supervisory, inspection, architectural or engineering services;
 - (3) that indemnifies any person or organization for damage by fire to premises rented or loaned to any **Insured**;
 - (4) that relates to a project for a public authority, but this Exclusion does not apply to a **Claim** by the public authority or any other person or organization engaged in the project; or
 - (5) that relates to construction or demolition operations within fifty (50) feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing, and which is not a sidetrack agreement.
- (R) **“Interrelated General Liability Incidents”** means all **Bodily Injury, Property Damage, Personal Injury** or **Advertising Injury** resulting from continuous or repeated exposure to substantially the same general conditions, regardless of the number of locations, claimants or **Insureds** involved.
- (S) **“Interrelated Wrongful Acts”** means:
- (1) all acts, errors or omissions committed by an **Insured** in the rendering of or failure to render **Professional Services** to any one patient, client or resident of the **Named Insured**; or
 - (2) all acts, errors or omissions committed by an **Insured** in the rendering of or failure to render **Professional Services** to a woman and her fetus/fetuses or unborn child/children.
- (T) **“Loading or Unloading”** means the handling of property:
- (1) after it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or **Auto**;
 - (2) while it is in or on an aircraft, watercraft or **Auto**; or
 - (3) while it is being moved from an aircraft, watercraft or **Auto** to the place where it is finally delivered.
- “Loading or Unloading”** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or **Auto**.
- (U) **“Loss”** means a monetary judgment, award or settlement for damages, including statutory attorneys’ fees and costs, punitive or exemplary damages where insurable by law, and pre-judgment and post-judgment interest awarded against an **Insured** on that part of any judgment paid or to be paid by the Company.
- “Loss”** does not include:
- (1) any amount that any **Insured** is not legally obligated to pay;
 - (2) non-monetary relief;
 - (3) civil or criminal fines or penalties, taxes or sanctions;
 - (4) the multiple portion of any multiplied damages award;

- (5) the return or restitution of fees, compensation, profits, charges or expenses paid to an **Insured** for services rendered; or
 - (6) any matters, judgments, damages or other amounts that are deemed uninsurable under the law pursuant to which this Policy is construed.
- (V) **“Major Surgery”** means any invasive operative procedure that exposes, opens or enters into a body cavity, and for which general anesthesia is administered.
- (W) **“Medical Director”** means any natural person who oversees the medical staff of the **Named Insured**.
- (X) **“Medical Expenses”** means reasonable and necessary expenses for:
- (1) first aid administered at the time of a **General Liability Incident**;
 - (2) necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) necessary ambulance, hospital, professional nursing and funeral services.
- “Medical Expenses”** does not include expenses for **Bodily Injury**:
- (1) to any **Insured**;
 - (2) to a person hired to do work for or on behalf of any **Insured**, or a tenant of any **Insured**;
 - (3) to a person injured on that part of premises the **Named Insured** owns or rents which such person normally occupies;
 - (4) to a person, whether or not an **Employee**, if benefits for the **Bodily Injury** are payable or must be provided under a workers’ compensation or disability benefits law or a similar law;
 - (5) to a person injured while practicing, instructing or participating in games, sports or athletics;
 - (6) included within the **Product and Completed Operation Hazard**;
 - (7) resulting from the **Hazardous Properties of Nuclear Material** and arising out of the operation of a **Nuclear Facility** by any person or organization; or
 - (8) to which Section **I.(B)**., General Liability Coverage, of this Policy does not apply.
- (Y) **“Minor Surgery”** means any invasive operative procedure that does not expose, open or enter into a body cavity, and for which only local or topical anesthesia is administered.
- (Z) **“Mobile Equipment”** means any of the following types of land vehicles, including any attached machinery or equipment:
- (1) bulldozers, farm machinery, forklifts and other vehicles designed principally for use off public roads;
 - (2) vehicles maintained solely for use on or next to premises the **Named Insured** owns or rents;
 - (3) vehicles that travel on crawler treads;
 - (4) vehicles, whether self-propelled or not, that are maintained primarily to provide mobility to permanently mounted:
 - (a) power cranes, shovels, loaders, diggers or drills; or

- (b) road construction or resurfacing equipment such as graders, scrapers or rollers;
- (5) vehicles not described in paragraphs (1), (2), (3) or (4) above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (a) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (b) cherry pickers and similar devices used to raise or lower workers;
- (6) vehicles not described in paragraphs (1), (2), (3) or (4) above that are maintained primarily for purposes other than the transportation of persons or cargo.

“Mobile Equipment” does not include:

- (1) self-propelled vehicles with the following types of permanently attached equipment:
 - (a) equipment designed primarily for:
 - (i) snow removal;
 - (ii) road maintenance, but not construction or resurfacing;
 - (iii) street cleaning;
 - (b) cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; or
 - (c) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment;
- (2) land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

(AA) “Named Insured” means the entity or individual designated as such in the Declarations of this Policy.

(BB) “Non-Surgical Procedure” means any non-invasive procedure for which only local or topical anesthesia is administered.

(CC) “Nuclear Facility” means:

- (1) any **Nuclear Reactor**;
- (2) any equipment or device designed or used for:
 - (a) separating the isotopes of uranium or plutonium;
 - (b) processing or utilizing **Spent Fuel**; or
 - (c) handling, processing or packaging **Waste**;
- (3) any equipment or device used for the processing, fabricating or alloying of **Special Nuclear Material** if at any time the total amount of such material in the custody of an **Insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (4) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **Waste**; and

- (5) the site on which any of (1) through (4) above is located, all operations conducted on such site, and all premises used for such operations.
- (DD) “**Nuclear Material**” means **Source Material, Special Nuclear Material or By-Product Material**.
- (EE) “**Nuclear Reactor**” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- (FF) “**Organic Pathogens**” means any organic irritant or contaminant, including but not limited to, mold, fungus, bacteria, virus, or their byproducts such as mycotoxins, mildew, or biogenic aerosol, *Aspergillus*, *Penicillium*, *Stachybotrys Chartarum*, *Stachybotrys Atra*, *Trichodema* and *Fusarium Memnoniella*.
- (GG) “**Personal Information**” means any number, letter, symbol, image, sound, or genetic or biological characteristic, or any combination thereof, which is unique to an individual and/or assigned to an individual by any person or governmental or non-governmental entity.
- (HH) “**Personal Injury**” means injury, other than **Bodily Injury**, caused by any of the following:
- (1) false arrest, detention or imprisonment;
 - (2) malicious prosecution;
 - (3) wrongful entry or wrongful eviction;
 - (4) libel or slander; or
 - (5) written or spoken material made public which violates an individual’s right of privacy.
- (II) “**Physical Abuse**” means any intentional physical contact that results in injury.
- (JJ) “**Policy Period**” means the period from the Effective Date of this Policy to its Expiration Date, as set forth in the Declarations of this Policy, or this Policy’s earlier termination date, if any. “**Policy Period**” specifically excludes the period following expiration referenced in Section VII. and the Optional Extended Reporting Period.
- (KK) “**Pollutants**” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, and **Waste**.
- (LL) “**Products-Completed Operations Hazard**” means all **Bodily Injury** and **Property Damage** occurring away from premises the **Named Insured** owns or rents and arising out of **Your Product** or **Your Work**, except:
- (1) products that are still in an **Insured’s** physical possession; or
 - (2) work that has not yet been completed or abandoned; however, **Your Work** will be deemed completed at the earliest of the following times:
 - (a) when all of the work called for in the **Named Insured’s** contract has been completed;
 - (b) when all of the work to be done at a job site has been completed, if the **Named Insured’s** contract calls for work at more than one job site; or

- (c) when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise completed, will be treated as completed.

“Products-Completed Operations Hazard” does not include **Bodily Injury** or **Property Damage** arising out of:

- (1) the transportation of property, unless the **Bodily Injury** or **Property Damage** arises out of a condition in or on a vehicle not owned or operated by an **Insured**, and that condition was created by the **Loading or Unloading** of that vehicle by an **Insured**; or
- (2) the existence of tools, uninstalled equipment, or abandoned or unused materials.

(MM) “Professional Services” means those services performed by an **Insured** on behalf of the **Named Insured**, as stated in the Declarations of this Policy, in the care and treatment of any patient, client or resident of the **Named Insured**.

“Professional Services” also includes any of the following activities, but only if performed by an **Insured** in connection with the services described in the Declarations of this Policy:

- (1) **Administrative Duties** or **Indirect Patient Care** performed by a **Medical Director**; and
- (2) any **Non-Surgical Procedure** or **Minor Surgery**.

“Professional Services” does not include:

- (1) any **Major Surgery**;
- (2) any participation in, or contribution to, any organ transplant;
- (3) any obstetrical procedures; or
- (4) the placement of any individuals into a foster care or foster home environment.

(NN) “Property Damage” means:

- (1) physical injury to tangible property, including all resulting loss of use of such property; and
- (2) loss of use of tangible property that has not been physically damaged or destroyed.

(OO) “Provider” means any employed, contract or staff physician, surgeon, chiropractor, dentist, nurse midwife, podiatrist, certified registered nurse anesthetist, naturopathic practitioner, acupuncturist, physician assistant or nurse practitioner who practices at the **Named Insured’s** facility and/or provides **Professional Services** on behalf of the **Named Insured**. **“Provider”** does not include any **Medical Director**.

(PP) “Sexual Misconduct” means sexual intimacy, sexual acts, sexual abuse, sexual molestation, sexual harassment, sexual exploitation, sexual assault, sexual battery or acts in furtherance thereof, whether under the guise of treatment or not, and whether consensual or not.

(QQ) “Source Material” has the same meaning as defined in the Atomic Energy Act of 1954 or any amendments thereto.

(RR) “**Special Nuclear Material**” has the same meaning as defined in the Atomic Energy Act of 1954 or any amendments thereto.

(SS) “**Spent Fuel**” means any fuel element or fuel component, solid or liquid that has been used or exposed to radiation in a **Nuclear Reactor**.

(TT) “**Temporary Worker**” means a person who is substituting for a permanent **Employee** who is on a leave of absence.

(UU) “**Waste**” means:

- (1) any waste material containing **By-Product Material** and resulting from the operation by any person or organization of (a) any **Nuclear Reactor** or (b) any equipment or device designed or used for separating the isotopes of uranium or plutonium, processing or utilizing **Spent Fuel**, or handling, processing or packaging **Waste**; and
- (2) solely with respect to **Pollutants**, materials to be recycled, reconditioned or reclaimed.

(VV) “**Wrongful Act**” means any act, error or omission in the rendering of or failure to render **Professional Services** by an **Insured**, including any **Bodily Injury** sustained by any patient, client or resident of the **Named Insured** in the rendering of or failure to render **Professional Services** by an **Insured**. “**Wrongful Act**” does not include any **General Liability Incident**.

(WW) “**Your Product**” means:

- (1) any goods or products, other than real property, that are manufactured, sold, handled, distributed or disposed of by:
 - (a) any **Insured** on the **Named Insureds** behalf;
 - (b) others trading under the **Named Insured’s** name; or
 - (c) a person or organization whose business or assets the **Named Insured** has acquired; and
- (2) containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

“**Your Product**” includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **Your Product** and the providing of or failure to provide warnings or instructions.

“**Your Product**” does not include vending machines or other property rented to or located for the use of others, but not sold.

(XX) “**Your Work**” means:

- (1) work or operations performed by an **Insured** on the **Named Insured’s** behalf; and
- (2) materials, parts or equipment furnished in connection with such work or operations.

“**Your Work**” includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **Your Work** and the providing of or failure to provide warnings or instructions.

IV. EXCLUSIONS

This Policy does not apply to any **Claim**:

- (A) based upon, arising out of or in any way involving any **Bodily Injury** or **Property Damage** that is reasonably expected or intended from the standpoint of the **Insured**; however, this Exclusion does not apply to **Bodily Injury** or **Property Damage** that is a reasonably expected consequence of appropriate treatment or resulting from the use of reasonable force to protect persons or property.
- (B) based upon, arising out of or in any way involving any actual or alleged dishonest, criminal, fraudulent, malicious or intentional act, error or omission committed by any **Insured**, including the willful violation of any law, statute or ordinance committed by or with the knowledge of any **Insured**.
- (C) based upon, arising out of or in any way involving the actual or alleged transfer of a patient in violation of any statute or regulation which restricts patient transfers or regulates the circumstances under which patient transfers may be conducted.
- (D) based upon, arising out of or in any way involving the actual or alleged alteration, modification or destruction of medical records.
- (E) based upon, arising out of or in any way involving any actual or alleged **Sexual Misconduct** or **Physical Abuse**, whether or not such **Sexual Misconduct** or **Physical Abuse** is intended to lead to or culminates in any sexual act, whether caused by, at the instigation of, at the direction of any **Insured**, or as a result of any act or omission by an **Insured, Provider**, patient, client, resident or visitor, or from any cause whatsoever, or that is caused by or contributed to by the failure of any **Insured** to:
 - (1) properly train, hire, supervise, discipline or terminate any **Provider** or **Employee**;
 - (2) properly control, monitor or supervise the treatment or actions of any patient, client, resident or other person whose care, custody, treatment and/or supervision has been entrusted to an **Insured**;
 - (3) properly place any patient, client, resident or other person in the care, custody, treatment or supervision of a third party, or properly remove any patient, client, resident or other person from the care, custody, treatment or supervision of a third party; or
 - (4) properly or fully inform any person or entity of the background, prior history or propensity of any individual whose care, custody, treatment or supervision has been entrusted to an **Insured**, or to a third party at the **Insured's** request or based on an **Insured's** advice.

This Exclusion applies whether **Sexual Misconduct** or **Physical Abuse** takes place under the guise of treatment or not, and whether or not it is consensual.

- (F) based upon, arising out of or in any way involving any actual or alleged discrimination, humiliation, harassment or misconduct based on age, race, creed, color, gender, sexual preference, disability, marital status, national origin, physical or mental disability, illness or positive test for communicable diseases, or status as a member of any other class of individuals protected by local, state or federal law.

- (G) based upon, arising out of or in any way involving any obligation of any **Insured** under any workers' compensation, unemployment compensation, social security or disability benefits law or any similar law.
- (H) based upon, arising out of or in any way involving any dispute between a current or former **Employee**, or applicant for employment, and any **Insured** with regard to the employment relationship, the termination of that relationship, or such **Insured's** provision or termination of employee benefits, including, but not limited to, **Claims** for wrongful termination, harassment or discrimination.
- (I) made by any **Insured** against any other **Insured**; or based upon, arising out of or in any way involving the rendering of or failure to render **Professional Services** by any other member of a partnership or joint venture not named in the Declarations of this Policy or by Endorsement to this Policy, if the **Named Insured** is a member of such partnership or joint venture.
- (J) brought by or on behalf of any individual who is receiving, or has received, **Professional Services** from an **Insured** against any other individual who is receiving, or has received, **Professional Services** from an **Insured**.
- (K) based upon, arising out of or in any way involving **Bodily injury** or **Property Damage** for which any **Insured** may be held liable by reason of:
- (1) causing or contributing to the intoxication of any person;
 - (2) furnishing alcoholic beverages to a person who is under the legal drinking age or under the influence of alcohol; or
 - (3) any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.
- (L) based upon, arising out of or in any way involving **Bodily Injury** arising out of corporal punishment by an **Insured**.
- (M) based upon, arising out of or in any way involving any liability of an **Insured** based in whole or in part on a breach of promise, contract, warranty, implied warranty or misrepresentation, including any guarantee of the results of **Professional Services**.
- (N) based upon, arising out of or in any way involving any vicarious liability of an **Insured** for any individual who is not also an **Insured**.
- (O) based upon, arising out of or in any way involving **Bodily Injury** or **Property Damage** arising out of any social club or special event, including athletic events; however, this Exclusion does not apply to any social club or special event that is:
- (1) sponsored by the **Named Insured**;
 - (2) directly related to the treatment or care of the **Named Insured's** patients, clients or residents; and
 - (3) exclusive to **Employees**, volunteers of the **Named Insured**, and patients, clients or residents of the **Named Insured**.
- (P) based upon, arising out of or in any way involving any **Insured's** actual or alleged involvement in any:

- (1) anti-trust law violation;
 - (2) agreement or conspiracy to restrain trade or compete unfairly;
 - (3) infringement of trademark, trade name, patent or copyright; or
 - (4) price-fixing.
- (Q)** based upon, arising out of or in any way involving any:
- (1) war, invasion, act of foreign enemies, hostilities (whether war is declared or not), act or condition incident to war, civil war, insurrection, rebellion, revolution or military or usurped power; or
 - (2) confiscation, nationalization, requisition or destruction of, or damage to, property by or under the order of any government or public or local authority.
- (R)** based upon, arising out of or in any way involving any **Act of Terrorism**.
- (S)** for any **Loss**, cost or expense incurred by an **Insured** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
- (1) **Your Product**;
 - (2) **Your Work**; or
 - (3) **Impaired Property**,
- if **Your Product**, **Your Work** or **Impaired Property** is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.
- (T)** based upon, arising out of or in any way involving the potential or actual transmission of or exposure to any infectious agents or **Organic Pathogens** that cause a communicable disease, complex or syndrome; or the potential or actual transmission of or exposure to a communicable disease.
- This Exclusion applies:
- (1) regardless of the mode of transmission or exposure;
 - (2) even if the **Claim** alleges any negligence or other wrongdoing in:
 - (a) the hiring, employment, training, supervision or monitoring of others;
 - (b) the failure to provide a safe environment;
 - (c) the failure to disclose the health status of an **Insured**;
 - (d) the failure to implement and perform any prevention and/or control measures; or
 - (e) the failure to prevent the spread of any infectious agent, **Organic Pathogens** or communicable disease.
- (U)** based upon, arising out of or in any way involving **Property Damage to Your Product**, arising out of it or any part of it.
- (V)** based upon, arising out of or in any way involving any liability assumed by an **Insured** in a contract or agreement. This Exclusion does not apply to liability an **Insured** would have in the absence of the contract or agreement.

(W) based upon, arising out of or in any way involving **Property Damage** to **Your Work**, arising out of it or any part of it; however, this Exclusion does not apply if the damaged work or the work out of which the damage arises was performed on any **Insured's** behalf by a subcontractor.

(X) based upon, arising out of or in any way involving **Property Damage** to **Impaired Property** or property that has not been physically injured, arising out of:

- (1) a defect, deficiency, inadequacy or dangerous condition in **Your Product** or **Your Work**; or
- (2) a delay or failure by any **Insured** or anyone acting on any **Insured's** behalf to perform a contract or agreement in accordance with its terms.

This Exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **Your Product** or **Your Work** after it has been put to its intended use.

(Y) based upon, arising out of or in any way involving **Property Damage** to:

- (1) property owned, rented to, or leased, occupied or used by, any **Insured**;
- (2) premises sold, given away or abandoned by any **Insured**;
- (3) property loaned to any **Insured**;
- (4) property in the care, custody or control of any **Insured**;
- (5) property on which any **Insured** or any contractors or subcontractors working directly or indirectly on behalf of any **Insured** are performing operations, if the **Property Damage** arises out of those operations; or
- (6) property that must be restored, repaired or replaced because **Your Work** was incorrectly performed on it.

Paragraph (1) of this Exclusion does not apply to **Property Damage** to premises rented to any **Insured**, if such **Property Damage** arises out of a fire and Section I.(B)(3), Fire Damage Coverage, has been purchased.

Paragraph (2) of this Exclusion does not apply if the premises are **Your Work** and were never occupied, rented or held for rental by any **Insured**.

Paragraphs (3), (4), (5) and (6) of this Exclusion do not apply to liability assumed by an **Insured** under a side-track agreement.

Paragraph (6) of this Exclusion does not apply to **Property Damage** included in the **Products-Completed Operations Hazard**, if purchased.

(Z) based upon, arising out of or in any way involving **Personal Injury** or **Advertising Injury**:

- (1) arising out of oral or written publication of material, if done by or at the direction of any **Insured** with knowledge of its falsity;
- (2) arising out of the willful violation of a penal statute or ordinance committed by or with the consent of any **Insured**; or
- (3) for which any **Insured** has assumed liability in a contract or agreement; however, this Exclusion does not apply to liability for **Loss** that any **Insured** would have in the absence of the contract or agreement.

(AA) based upon, arising out of or in any way involving **Advertising injury** arising out of:

- (1) breach of contract, other than misappropriation of advertising ideas under an implied contract;
 - (2) the failure of goods, products or services to conform with advertised quality or performance;
 - (3) the wrong description of the price of goods, products or services; or
 - (4) an offense committed by an **Insured** whose business is advertising, broadcasting, publishing or telecasting.
- (BB)** based upon, arising out of or in any way involving **Bodily Injury** or **Property Damage** arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **Auto** or watercraft that is owned or operated by, or rented or loaned to, any **Insured**. As used in this Exclusion, "use" includes operation and **Loading or Unloading**.
- (CC)** based upon, arising out of or in any way involving **Bodily Injury** or **Property Damage** arising out of:
- (1) the transportation of **Mobile Equipment** by an **Auto** owned or operated by, or rented or loaned to, any **Insured**; or
 - (2) the use of **Mobile Equipment** in, or while in practice or preparation for, any prearranged racing, speed or demolition contest or any stunting activity.
- (DD)** based upon, arising out of or in any way involving **Bodily Injury** or **Property Damage** arising out of:
- (1) the actual, alleged or threatened discharge, dispersal, seepage, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, irritants, contaminants or **Pollutants** into or upon land, the atmosphere or any water course or body of water, whether above or below ground. This Exclusion applies to any **Claim**, action, judgment, liability, settlement, defense or expenses (including any loss, cost or expense arising out of any governmental direction or request that any **Insured** or any other party test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**) in any way arising out of such actual, alleged or threatened discharge, dispersal, seepage release or escape, whether such results from any **Insured's** activities or the activities of others, whether or not such is sudden or gradual, whether or not such is accidental, intended, foreseeable, expected, fortuitous or inevitable, and wherever such occurs;
 - (2) any governmental direction or request that any **Insured** or any other party test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**; or
 - (3) Chinese Drywall.
- (EE)** based upon, arising out of or in any way involving **Bodily Injury** or **Property Damage** resulting from exposure to, or the manifestation, release, dispersal, seepage, migration, discharge, appearance, presence, reproduction or growth of, mold, mildew, spores, mycotoxins, fungi, **Organic Pathogens** or other microorganisms of any type, nature or description, including:
- (1) any cost, expense or charge to test, monitor, clean up, remediate, remove contain, treat, detoxify, neutralize, rehabilitate or in any way respond to or assess the effects of mold, mildew, spores, mycotoxins, fungi, **Organic Pathogens** or other microorganisms of any type, nature or description; and

- (2) any costs, expense, charge, fine or penalty, incurred, sustained or imposed by order, direction, request or agreement of any court, governmental agency or civil, public or military authority as a result of or relating to the exposure to, or the manifestation, release, dispersal, seepage, migration, discharge, appearance, presence, reproduction or growth of, mold, mildew, spores, mycotoxins, fungi, **Organic Pathogens** or other microorganisms of any type, nature or description.
- (FF)** based upon, arising out of or in any way involving **Bodily Injury** or **Property Damage** arising out of asbestos or materials, goods or products containing asbestos, including but not limited to:
- (1) the inhalation, ingestion or physical exposure to asbestos or materials, goods or products containing asbestos;
 - (2) the use of asbestos in constructing or manufacturing any goods, products or structures;
 - (3) the removal of asbestos from any goods, products or structures;
 - (4) the manufacture, encapsulation, transportation, storage, handling, distribution, sale, application, mining, consumption or disposal of asbestos or materials, goods or products containing asbestos; or
 - (5) any governmental direction or request that any **Insured** or any other party test for, monitor, clean up, remove, contain, treat, detoxify or neutralize asbestos or materials, goods or products containing asbestos.
- (GG)** based upon, arising out of or in any way involving **Bodily Injury** or **Property Damage** arising out of lead paint, including but not limited to:
- (1) the inhalation, ingestion or physical exposure to lead paint or materials, goods or products containing lead paint;
 - (2) the use of lead paint in constructing or manufacturing any goods, products or structures;
 - (3) the removal of lead paint from any goods, products or structures;
 - (4) the manufacture, encapsulation, transportation, storage, handling, distribution, sale, application, consumption or disposal of lead paint or materials, goods or products containing lead paint; or
 - (5) any governmental direction or request that any **Insured** or any other party test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize lead paint or materials, goods or products containing lead paint.
- (HH)** based upon, arising out of or in any way involving **Bodily Injury** arising out of the actual, alleged, threatened or suspected inhalation or ingestion of silica or silica-related dust.
- (II)** based upon, arising out of or in any way involving any **Bodily Injury** or **Property Damage**:
- (1) with respect to which an **Insured** is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
 - (2) resulting from the **Hazardous Properties of Nuclear Material** and with respect to which:

- (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, as amended, or any regulations promulgated thereunder; or
 - (b) any **Insured** is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
- (3) resulting from the **Hazardous Properties of Nuclear Material**, if:
- (a) the **Nuclear Material** is at any **Nuclear Facility** owned or operated by or on behalf of an **Insured**, or has been discharged or dispersed therefrom;
 - (b) the **Nuclear Material** is contained in **Spent Fuel** or **Waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **Insured**; or
 - (c) the **Bodily Injury** or **Property Damage** arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **Nuclear Material**, but if such facility is located within the United States of America, its territories or possessions, or Canada, this Exclusion **(II)(3)(c)** applies only to **Property Damage** to such **Nuclear Facility** and any property thereof.
- (JJ)** based upon, arising out of or in any way involving the actual or alleged failure of an **Insured** to implement any compliance program or any policies, procedures or practices relating to participation as a provider of medical services to a managed care organization or under a health care benefit program, whether initiated voluntarily or pursuant to direction by, order of, or in settlement with a government body, hospital, health care facility or managed care organization.
- (KK)** based upon, arising out of or in any way involving **Bodily Injury** to:
- (1) any **Employee** or independent contractor arising out of and in the course of their:
 - (a) employment;
 - (b) performance of duties related to the conduct of the **Named Insured's** business; or
 - (2) the spouse, child, parent, brother or sister of that **Employee** or independent contractor as a consequence of paragraph (1) above.
- This Exclusion applies:
- (1) whether the **Named Insured** may be liable as an employer or in any other capacity; and
 - (2) to any obligation to share damages with or repay someone else who must pay damages because of the injury.
- (LL)** based upon, arising out of or in any way involving the actual or alleged rendering of or failure to render **Professional Services**:
- (1) by an **Insured** who is not properly licensed or certified to provide those services by the laws of the state(s) in which that **Insured** practices, or who is not qualified to practice that professional occupation in the absence of licensing laws;

- (2) by an **Insured** whose license is under suspension or has been withdrawn, restricted, revoked, denied, non-renewed, surrendered or otherwise terminated; however, this Exclusion does not apply if the **Named Insured** gives the Company information regarding any suspension, withdrawal, restriction, revocation, denial, non-renewal, surrender or termination of an **Insured's** license, pursuant to Section **VIII.(N)** of this Policy, and the Company, at its sole discretion, elects to continue to provide coverage for such **Insured**, as evidenced by issuance of an Endorsement to this Policy; or
 - (3) at any facility of the **Named Insured** that is not licensed in accordance with all relevant federal, state or local requirements.
- (MM)** under Section **I.(A)**, Professional Liability Coverage, for amounts incurred by an **Insured** to provide first aid at the time of a **Wrongful Act**.
- (NN)** based upon, arising out of or in any way involving any economic loss that does not result from **Bodily Injury** or **Property Damage**, including, but not limited to, economic loss arising out of financial advice or supervision.
- (OO)** for, based upon, arising out of or in any way involving any conduct, act, error or omission of any **Insured** serving in any capacity other than as your principal, officer, director, trustee or **Employee** or independent contractor.
- (PP)** for, based upon, arising out of or in any way involving any actual or alleged violation of the Employment Retirement Income Security Act of 1974, the Securities Act of 1933, the Securities Exchange Act of 1934, or any state "Blue Sky" or Securities Law.
- (QQ)** based upon, arising out of or in any way involving any **Insured** gaining in fact any profit, remuneration or financial advantage to which such **Insured** was not legally entitled.
- (RR)** for, based upon, arising out of or in any way involving:
- (1) any actual or alleged invasion of privacy, or the infringement or interference with, the right of privacy resulting from the use of, visitation to, or browsing of any BBS (bulletin board system or service), web site or URL location;
 - (2) the implantation, receipt or acceptance of "cookies" or "web bugs;"
 - (3) any actual or alleged violation or implementation of, or failure to implement or abide by, any posted privacy policy, or the failure to have such privacy policy posted, displayed or otherwise accessible;
 - (4) any actual or alleged unauthorized use or disclosure of **Personal Information** in any form, including **Personal Information** contained in an **Insured's** computer or data processing system; or the gathering, use, handling or dissemination of **Personal Information** in any form; or
 - (5) any actual or alleged violation of privacy regulations under the Health Insurance Portability and Accountability Act.
- (SS)** based upon, arising out of or in any way involving any **Professional Services** provided while alcoholic beverages are being served, sold, furnished or consumed.
- (TT)** based upon, arising out of or in any way involving any swimming activities that are not supervised by an **Insured**.

- (UU) based upon, arising out of or in any way involving any actual or alleged liability of an **Insured** based in whole or in part on the use, administration or prescription of any drug, pharmaceutical or medical device:
- (1) of which the United States Food and Drug Administration (“FDA”) has denied approval, or has not yet approved, for general use in the treatment of human beings; or
 - (2) in a manner which has not received FDA approval (also known as “off-label use”).
- (VV) based upon, arising out of or in any way involving any actual or alleged handling or movement of a patient, client or resident into or out of any **Auto** or **Mobile Equipment**; however, this Exclusion does not apply to the transfer of a patient, client or resident between a wheelchair and a bed.
- (WW) based on, arising out of or in any way involving:
- (1) medical marijuana evaluations or medical marijuana recommendations;
 - (2) the prescribing of marijuana;
 - (3) the sale or distribution of marijuana for medical or recreational use; or
 - (4) the sale or distribution of goods or products containing cannabis or cannabinoids, including tetrahydrocannabinol (THC) and cannabidiol (CBD).
- (XX) based upon, arising out of or in any way involving the actual or alleged rendering of or failure to render **Professional Services** to any individual who is on the active roster of a professional sports team.

V. LIMITS OF LIABILITY/DEDUCTIBLE

(A) Professional Liability Limit of Liability

(1) Each Claim Limit

The Professional Liability Each **Claim** Limit of Liability set forth in the Declarations shall be the maximum amount the Company shall pay under the Professional Liability Coverage of this Policy for **Loss** and **Claim Expenses** arising out of any one **Claim** first made during the **Policy Period** or the Optional Extended Reporting Period, if applicable, regardless of the number of persons or organizations making the **Claim** or the number of **Insureds** against whom the **Claim** is made.

(2) Aggregate Limit

The Professional Liability Aggregate Limit of Liability set forth in the Declarations shall be the maximum amount the Company shall pay under the Professional Liability Coverage of this Policy for **Loss** and **Claim Expenses** arising out of all **Claims** first made during the **Policy Period** and the Optional Extended Reporting Period, if applicable, regardless of the number of **Claims** made, persons or organizations making **Claims** or the number of **Insureds** against whom **Claims** are made.

(B) General Liability Limit of Liability

The General Liability Limit of Liability set forth in the Declarations and the rules below fix the most the Company will pay under the General Liability Coverage of this Policy,

regardless of the number of **Insureds, Claims** made or persons or organizations making **Claims**:

(1) **General Liability Aggregate Limit of Liability**

The General Liability Aggregate Limit of Liability set forth in the Declarations shall be the maximum amount the Company shall pay for the sum of:

- (a) **Loss and Claim Expenses** because of **Bodily Injury** or **Property Damage** to which Section **I.(B)(1)** of this Policy applies, except **Loss and Claim Expenses** because of **Bodily Injury** or **Property Damage** included in the **Products and Completed Operations Hazard**;
- (b) **Loss and Claim Expenses** because of **Personal Injury** and **Advertising Injury** to which Section **I.(B)(2)** of this Policy applies;
- (c) **Loss and Claim Expenses** because of **Property Damage** to which Section **I.(B)(3)** of this Policy applies; and
- (d) **Medical Expenses** to which Section **I.(B)(4)** of this Policy applies.

(2) **Products and Completed Operations Hazard Aggregate Limit**

The **Products and Completed Operations Hazard** Aggregate Limit set forth in the Declarations shall be the maximum amount the Company shall pay under Section **I.(B)(1)** of this Policy for **Loss and Claim Expenses** because of **Bodily Injury** and **Property Damage** included in the **Products and Completed Operations Hazard**.

(3) **Bodily Injury/Property Damage Each Claim Limit of Liability**

Subject to Section **V.(B)(1)** or Section **V.(B)(2)** above, whichever applies, the Bodily Injury/Property Damage Each **Claim** Limit of Liability set forth in the Declarations shall be the maximum amount the Company shall pay under Section **I.(B)(1)** of this Policy for **Loss and Claim Expenses** arising out of any one **Claim** for **Bodily Injury** or **Property Damage** first made during the **Policy Period** or the Optional Extended Reporting Period, if applicable.

(4) **Personal/Advertising Injury Each Claim Limit of Liability**

Subject to Section **V.(B)(1)** above, the Personal/Advertising Injury Each **Claim** Limit of Liability set forth in the Declarations shall be the maximum amount the Company shall pay under Section **I.(B)(2)** of this Policy for **Loss and Claim Expenses** arising out of any one **Claim** for **Personal Injury** or **Advertising Injury** first made during the **Policy Period** or the Optional Extended Reporting Period, if applicable.

(5) **Fire Damage Limit of Liability**

Subject to Section **V.(B)(1)** and Section **V.(B)(3)** above, the Fire Damage Limit of Liability set forth in the Declarations shall be the maximum amount the Company shall pay under Section **I.(B)(3)** of this Policy for **Loss and Claim Expenses**

because of **Property Damage** to premises rented by, or leased to, the **Named Insured**, arising out of any one fire.

(6) **Medical Payments Limit of Liability**

Subject to Section **V.(B)(1)** or Section **V.(B)(3)** above, the Medical Payments Limit of Liability set forth in the Declarations shall be the maximum amount the Company shall pay under Section **I.(B)(4)** of this Policy for **Medical Expenses** incurred because of **Bodily Injury** sustained by any one person.

(C) **Exhaustion of Limit of Liability**

- (1) The payment of **Loss** and **Claim Expenses** by the Company reduces and may totally exhaust the applicable Limit of Liability.
- (2) The Company shall not be liable to pay any **Loss** or **Claim Expenses**, or continue the defense of any **Claim**, after the applicable Limit of Liability has been exhausted.

(D) **Deductible**

- (1) The Deductible amount set forth in the Declarations shall apply to **Loss** and **Claim Expenses** for each **Claim**. The Company shall not be obligated to pay **Loss** and **Claim Expenses** until an **Insured** pays the Deductible in full. The applicable Limit of Liability shall not be reduced by the amount of the Deductible.
- (2) An **Insured** must pay all **Claim Expenses** as they accrue, until such time as the Deductible is exhausted. Any failure by an **Insured** to pay **Claim Expenses** as they accrue shall constitute a material breach of this Policy.
- (3) Any payments made to satisfy the retention or deductible under another policy of insurance shall not satisfy or apply towards the applicable Deductible, or any portion thereof, under this Policy.

(E) **Multiple Claims and Interrelated Wrongful Acts/Incidents**

- (1) Two or more **Claims** arising out of the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered a single **Claim** and shall be deemed to have been made when the first such **Claim** was made against any **Insured**. A single Deductible and a single Each **Claim** Limit of Liability shall apply to any **Claim**, or the total of all **Claims**, arising from the same **Wrongful Act** or **Interrelated Wrongful Acts**.
- (2) Any **Interrelated Wrongful Acts** shall be deemed to have been committed or allegedly committed at the time when the first such **Wrongful Act** was committed or allegedly committed.
- (3) Two or more **Claims** arising out of the same **General Liability Incident** or **Interrelated General Liability Incidents** shall be considered a single **Claim** and shall be deemed to have been made when the first such **Claim** was made against any **Insured**. A single Deductible and a single Each **Claim** Limit of Liability shall apply to any **Claim**, or the total of all **Claims**, arising from the same **General Liability Incident** or **Interrelated General Liability Incidents**.

- (4) Any **Interrelated General Liability Incidents** shall be deemed to have occurred at the time when the first such **General Liability Incident** occurred.
- (5) The inclusion of more than one **Insured** or the making of **Claims** by or on behalf of more than one person or organization shall not operate to increase the Company's Limit of Liability.

(F) Non-Stacking of Limits

If more than one Coverage Part or Insuring Agreement of this Policy applies to a **Claim**, it is expressly understood and agreed that only one Each **Claim** Limit of Liability and one Deductible shall apply to such **Claim**, which shall be the highest applicable Each **Claim** Limit of Liability and the Deductible corresponding to such Limit of Liability.

VI. TERRITORY

- (A)** As to Professional Liability Coverage only, this Policy shall apply to **Claims** brought against an **Insured** in the United States of America, including its territories and possessions, as a result of **Professional Services** provided anywhere in the world.
- (B)** As to General Liability Coverage only, this Policy shall apply to **Claims** brought against the **Insured** in the United States of America, including its territories and possessions, as a result of **General Liability Incidents** that occur:
 - (1) on premises owned or rented by, or leased to, the **Named Insured**, including the grounds and structures appurtenant to such premises; or
 - (2) where **Professional Services** are rendered.

VII. NOTIFICATION

(A) NOTICE OF A CLAIM

- (1) As a condition precedent to coverage under this Policy, an **Insured** must provide written notice to the Company, through the persons named in the Declarations of this Policy, of any **Claim** as soon as practicable during the **Policy Period**, but no later than sixty (60) days after expiration of the **Policy Period**, or during the Optional Extended Reporting Period, if applicable.
- (2) Notice to the Company should include the date the **Claim** was received; how, when and where the **Wrongful Act** was committed or allegedly committed, or the **General Liability Incident** occurred; the names and addresses of any injured persons and witnesses; the nature and location of any resulting injury or **Loss**; and any other information available to an **Insured** which might assist the Company in its investigation of the **Claim**. The Company shall not be obligated to pay any **Claim Expenses** incurred in any **Claim** prior to the date the Company receives written notice of such **Claim**.

(B) NOTICE OF POTENTIAL CLAIM/INCIDENT REPORTING

If an **Insured** first becomes aware of a specific **Wrongful Act** or **General Liability Incident** during the **Policy Period** and gives written notice to the Company during the **Policy Period** that describes:

- (1) the specific **Wrongful Act** or **General Liability Incident** that could reasonably be the basis for the **Claim**, and

- (2) the possible **Loss** that may result or has resulted from the **Wrongful Act** or **General Liability Incident**, and
- (3) the details regarding how the **Insured** first became aware of the **Wrongful Act** or **General Liability Incident**,

then any **Claim** arising out of such reported **Wrongful Act** or **General Liability Incident** will be considered to be a **Claim** first made on the date when the Company first received written notice complying with the above requirements.

VIII. POLICY CONDITIONS

(A) Assistance and Cooperation

- (1) Every **Insured** shall cooperate with the Company and its representatives and, upon the Company's request, shall:
 - (a) assist in the investigation and defense of any **Claim**;
 - (b) submit to examination and interrogation by a representative of the Company, under oath if required;
 - (c) attend hearings, depositions and trials;
 - (d) assist in effecting settlement;
 - (e) cooperate in the securing and giving of evidence, obtaining the attendance of witnesses and in the conduct of suits; and
 - (f) give written statement(s) to the Company's representatives and meet with such representatives for the purpose of investigation and/or defense,

all without charge to the Company. Every **Insured** shall further cooperate with the Company and do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment that any **Insured** may have.

- (2) As a condition precedent to every **Insured's** rights under this Policy, every **Insured** agrees not to settle or offer to settle any **Claim**, incur any **Claim Expenses**, or otherwise assume any contractual obligation, or admit any liability with respect to any **Claim** without the prior written consent of the Company. Every **Insured** must take all reasonable action, within its ability, to prevent and/or mitigate any **Claim** or **Loss** to which this Policy applies and agrees that it shall not take any action which in any way increases the Company's exposure under this Policy.

(B) Subrogation

- (1) If any payment is made under this Policy, the Company shall be subrogated to the extent of such payment to all rights of recovery thereof, and any **Insured** shall execute all documents required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company to effectively bring suit in the name of any **Insured**, and shall provide all other assistance and cooperation which the Company may reasonably require. An **Insured** shall do nothing after a **Claim** is made against an **Insured** to prejudice the Company's subrogation rights.
- (2) All recoveries, after first deducting the legal fees and expenses incurred by the Company in obtaining such recovery, shall first be paid to the Company to the

extent of any **Loss** or **Claim Expenses** incurred by the Company, with the balance paid to an **Insured**.

(C) Other Insurance

- (1) This Policy shall be excess of and shall not contribute with any other valid and collectible insurance, including the amount of any deductibles and/or retentions, available to any **Insured**, including any insurance under which there is a duty to defend and regardless of whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such insurance is written specifically as excess insurance of this Policy by reference in such other policy to the Policy number, as set forth in the Declarations of this Policy.
- (2) Notwithstanding any "other insurance" provision contained in any other valid and collectible insurance available to an **Insured**, the provisions of Section **VIII.(C)(1)** above are controlling, and the Company shall not make any payments under this Policy until the limits of an **Insured's** other insurance have been exhausted.
- (3) Nothing stated in this Section **VIII.(C)** shall be construed to make this Policy subject to the terms, definitions, conditions and limitations of other insurance.

(D) Cancellation

- (1) The **Named Insured** may cancel this Policy by giving advance written notice to the Company stating when thereafter cancellation shall take effect.
- (2) If the Company decides to cancel this Policy, the Company will mail written notice to the **Named Insured** stating on what date cancellation shall be effective and the reason for cancellation. If the reason is because of non-payment of premium, then the date of cancellation will be at least ten (10) days from the date of the Company's notice of cancellation. If it is for any other reason, then the date of cancellation will be at least sixty (60) days from the date of the Company's notice of cancellation.
- (3) If this Policy is cancelled by the Company before the Expiration Date, the return portion of the premium shall be computed on a prorated basis. If the **Named Insured** elects to cancel this Policy before the Expiration Date, the earned premium will be computed on a short rate basis, subject to a minimum earned of twenty-five percent (25%) of the total annual premium. Notwithstanding the foregoing, if a **Claim** or potential **Claim** is made against an **Insured**, and reported under this Policy, no return premium will be provided. Cancellation is not contingent upon acceptance by the **Named Insured** of the unearned premium.
- (4) If any provisions of this Section **VIII.(E)** are in conflict with any governing law or regulation, then such provisions shall be deemed amended to comply with the requirements of any such law or regulation, including any minimum cancellation notice period permitted thereunder.

(E) Non-Renewal

- (1) If the Company elects to non-renew this Policy, it will mail a written notice to the Named Insured stating the reason for non-renewal at least sixty (60) days before the Expiration Date of this Policy.

- (2) If any provisions of this Section **VIII.(F)** are in conflict with any governing law or regulation, then such provisions shall be deemed amended to comply with the requirements of any such law or regulation, including any minimum non-renewal notice period permitted thereunder.

(F) Optional Extended Reporting Period

- (1) If this Policy is cancelled or non-renewed by the Company for any reason other than fraud, material misrepresentation, material omission or non-payment of premium, or if the **Named Insured** cancels or chooses not to renew this Policy, then the **Named Insured** shall have the right, following the effective date of such cancellation, if applicable, or the Expiration Date of this Policy, to purchase an Optional Extended Reporting Period upon written request and payment of an additional premium of up to the percentage of the full annual premium not to exceed:
- for 12 months: 100% of the full annual premium.
 - for 24 months: 175% of the full annual premium.
 - for 36 months: 225% of the full annual premium
- (2) At the commencement of the Optional Extended Reporting Period, the entire premium shall be considered fully earned.
- (3) Any such Optional Extended Reporting Period:
- (a) shall be evidenced by issuance of an Endorsement to this Policy;
 - (b) shall be effective on the effective date of cancellation, if applicable, or the Expiration Date of the Policy;
 - (c) shall apply only to those Insuring Agreements purchased by the **Named Insured**, as set forth in the Declarations of this Policy;
 - (d) shall only apply with respect to any **Claim** first made during the Optional Extended Reporting Period for **Wrongful Acts** committed or allegedly committed, or **General Liability Incidents** that occur, on or after the Retroactive Date set forth in the Declarations of this Policy and before the effective date of cancellation, if applicable, or the Expiration Date of this Policy;
 - (e) shall be subject to all terms, conditions, limitations and exclusions of this Policy; and
 - (f) shall require payment within thirty (30) days from the **Named Insured's** written request to bind such Optional Extended Reporting Period.
- (4) The Limits of Liability for the Optional Extended Reporting Period shall be part of, and not in addition to, the Limits of Liability for the **Policy Period** set forth in the Declarations. The purchase of the Optional Extended Reporting Period shall not increase or reinstate any Limit of Liability set forth in the Declarations, which shall be the Company's maximum liability for all **Loss** and **Claim Expenses** arising out of all **Claims** first made during the **Policy Period** and Optional Extended Reporting Period.
- (5) As used herein, "full annual premium" means the equivalent annual premium level for the coverage terms in effect immediately prior to the end of the **Policy Period**, including any additional premium for endorsements.

- (6) A change in Policy terms, conditions, exclusions and/or premiums shall not be considered a nonrenewal for purposes of triggering the **Named Insured's** right to purchase the Optional Extended Reporting Period.
- (7) The rights contained in this provision shall terminate, however, unless the **Named Insured** provides written notice of the **Named Insured's** election to purchase the Optional Extended Reporting Period to the Company within thirty (30) days of the effective date of cancellation, if applicable, or the Expiration Date of this Policy. Furthermore, as a condition precedent to the **Named Insured's** rights to purchase the Optional Extended Reporting Period, the total premium for this Policy must have been paid in full and any outstanding Deductible fully satisfied.

(G) Action Against the Company

- (1) No action shall lie against the Company unless, as a condition precedent thereto, there has been full compliance with all terms of this Policy, nor until the amount of an **Insured's** obligation to pay with respect to a **Claim** has been finally determined either by judgment against an **Insured** after actual trial or by written agreement of an **Insured**, the claimant and the Company.
- (2) Any individual or organization, or the legal representative thereof, who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No individual or organization shall have any right under this Policy to join the Company as a party to any action against any **Insured** to determine an **Insured's** liability, nor shall the Company be impleaded by any **Insured** or their legal representative.

(H) Changes

The terms of this Policy shall not be waived or changed except by endorsement duly executed by the Company and issued to form a part of this Policy.

(I) Assignment

No assignment of interest under this Policy shall bind the Company unless its prior written consent is endorsed hereon.

(J) Authorization Clause

- (1) The **Named Insured** designated in the Declarations of this Policy shall have the sole authority and responsibility to act on behalf of every **Insured** with respect to:
 - (a) the payment or return of premium;
 - (b) the receipt and agreement of any Endorsements issued to form a part of this Policy; and
 - (c) the exercise of the rights provided in Section **VIII.(G)** regarding the Optional Extended Reporting Period.
- (2) By acceptance of this Policy, every **Insured** under this Policy understands and agrees that the **Named Insured** shall have the authority set forth in this Section **VIII.(K)**.

(K) Representations

- (1) Each **Insured** represents and acknowledges that the statements made in the **Application**, and the information submitted therewith, are true and accurate, and that such statements and information:
 - (a) are the bases upon which this Policy was issued and are considered to be incorporated herein and form a part of this Policy; and
 - (b) are deemed material to the acceptance of this risk assumed by the Company under this Policy.
- (2) Each **Insured** understands and agrees that this Policy was issued in reliance upon the truth and accuracy of the representations, statements and information made in or submitted with the **Application**.

(L) False or Fraudulent Claims

If any **Insured** shall commit fraud in proffering any **Claim** with regard to amount or otherwise, this Policy in its entirety shall be void from the date such fraudulent **Claim** is proffered.

(M) Inspection and Audit

- (1) The Company shall be permitted, but not obligated, to inspect any **Insured's** property, operations and records at any time during the **Policy Period**, and any extensions thereof, and within three (3) years after the final termination of this Policy. Further, the Company may require reports as far as they relate to the subject matter of this Policy.
- (2) Neither the Company's inspection of any **Insured's** property, operations or records, or any report thereon, nor its right to make any such inspection shall constitute an undertaking on behalf of or for the benefit of any **Insured** to determine or warrant that any **Insured's** property or operations are safe, healthful or in compliance with any law, rule or regulation.

(N) Licensing

- (1) As a condition precedent to any rights under this Policy, the facilities of the **Named Insured** and all **Insureds** shall hold all necessary licenses or certifications to perform **Professional Services**, in accordance with all relevant federal, state and local requirements. The **Named Insured** warrants that as of the Effective Date of this Policy, all such licenses have been secured.
- (2) If, during the **Policy Period**, any **Insured's** licensure status is terminated, surrendered, withdrawn, restricted, revoked, denied, suspended or non-renewed, the **Named Insured** shall give written notice to the Company, through the persons named in the Declarations of this Policy, within thirty (30) days of the effective date of such change in licensure status. Following receipt of such notice, the Company may elect, at its sole option, to revise any Insuring Agreements, Definitions, Exclusions, endorsements or other conditions of this Policy with respect to such **Insured**, with effect from the date of termination, surrender, withdrawal, restriction, revocation, denial, suspension or non-renewal of such **Insured's** license. However, such action shall not waive the Company's option to invoke the provisions of Section VIII.(D) of this Policy.

(O) Bankruptcy or Insolvency

Bankruptcy or insolvency of any **Insured** shall not relieve the Company of its obligations nor deprive the Company of its rights or defenses under this Policy.

(P) Office of Foreign Assets Control

Payment of **Loss** or **Claim Expenses** under this Policy shall only be made in full compliance with all United States of America economic or trade sanctions, laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

(Q) Headings

The titles of the various paragraphs of this Policy and its Endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provision to which they relate.

(R) Policy Conformance

Any terms of this Policy that conflict with any local or state law, regulation or ordinance of the state that applies will be thereby amended to the extent necessary in order to conform to such local or state law, regulation or ordinance.

IX. MATERIAL CHANGES

(A) Created or Acquired Entities

- (1) If, during the **Policy Period**, the **Named Insured** creates or acquires any subsidiary or owned or controlled company, coverage shall be afforded to such newly created or acquired entity for any **Claim** first made within thirty (30) days of the effective date of such transaction or event involving the assets acquired, or the assets, liabilities or directors, officers or employees of such entity, but only for **Claims** wholly involving **Wrongful Acts** or **General Liability Incidents** occurring after the effective date of such transaction or event.
- (2) The Company shall have the option of providing coverage for any newly created or acquired subsidiary or owned or controlled company beyond the thirty (30) days provided that:
 - (a) the **Named Insured** gives the Company notice of such transaction or event as soon as practicable, but no later than thirty (30) days after the effective date of the transaction or event;
 - (b) the **Named Insured** gives the Company information regarding the transaction or event as the Company may reasonably require; and
 - (c) the **Named Insured** accepts any terms, conditions, exclusions, limitations and additional premium, if any, as the Company, within its sole discretion, may impose.
- (3) If the Company, at its sole discretion, elects to provide coverage for any entity subject to this provision, this Policy shall not apply to, and the Company shall not pay any **Loss** or **Claim Expenses** for, any **Claim** based upon, arising out of,

directly or indirectly resulting from or in any way involving any **Wrongful Act** or **General Liability Incident** occurring before: (a) the effective date of the transaction or event; or (b) the effective date of coverage under this Policy as set forth in an Endorsement, whichever of (a) or (b) above is later.

(B) Change of Control

(1) If during the **Policy Period**:

- (a) the **Named Insured** merges into or consolidates with another entity such that the **Named Insured** is not the surviving entity; or
- (b) another entity, person or group of entities and/or persons acting in concert acquires securities or voting rights which results in ownership or voting control by the other entity(ies) or person(s) of more than fifty percent (50%) of the outstanding securities representing the rights to vote for the election of an **Insured's** directors;

(either of the above events are hereinafter referred to as the "Transaction"), then the coverage provided by this Policy shall continue until the expiration date of this Policy, but solely for **Claims for Wrongful Acts or General Liability Incidents** that wholly occur prior to the Transaction and are otherwise covered by this Policy. The premium shall be considered fully earned.

(2) The **Named Insured** shall give written notice of such Transaction to the Company within thirty (30) days of the Transaction.

X. TRANSFER OF CONTROL WHEN THE LIMIT OF LIABILITY IS EXHAUSTED

(A) The **Named Insured** must take over control of any outstanding **Claim** if the applicable Limit of Liability is exhausted.

(B) When the applicable Limit of Liability has been exhausted:

- (1) the Company will notify the **Named Insured** in writing as soon as practicable that:
 - (a) such Limit of Liability has been exhausted; and
 - (b) the Company's obligation to defend any **Claim** or pay any **Loss** and **Claim Expenses** has ended.
- (2) the Company will initiate and cooperate in the transfer of control to the appropriate **Insured** of all outstanding **Claims** which are subject to the Limit of Liability that has been exhausted. The **Named Insured**, and any other **Insured**, must cooperate in the transfer of control of such **Claims**. The **Named Insured**, and any other **Insured** involved in a **Claim**, must arrange for the defense and payment of such **Claim** within the period agreed to by the appropriate **Insured** and the Company. Absent any such agreement, arrangements for defense and payment of the **Claim** must be made as soon as practicable. The Company will take such steps as deemed appropriate to avoid default in, or continue the defense or handling of, such **Claim** until transfer of control is completed, provided the **Insured** is cooperating in completing such transfer. The **Insured** shall agree to reimburse the Company for **Claim Expenses** it incurs in transferring control of any **Claim**.

XI. CURRENCY AND PAYMENTS

All premium and losses under this Policy shall be payable in United States dollars.

XII. ENTIRE AGREEMENT

By acceptance of this Policy, the **Named Insured** agrees that this Policy embodies all agreements existing between the **Named Insured** and the Company or any of its agents relating to this Policy. Notice to any agent or knowledge possessed by any agent or other individual acting on behalf of the Company shall not effect a waiver or a change in any part of this Policy or estop the Company from asserting any rights under the terms of this Policy, nor shall the terms be waived or changed except by Endorsement issued by the Company and signed by an authorized representative of the Company to form a part of this Policy.

SPECIMEN