
This Declaration Page is attached to and forms part of certificate provisions (Form SLC-3).

Previous No. <f1> Authority Ref. No. A30607001 Certificate No. **TBD**

**PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY POLICY
(Other than Standard)**

Coverage under this **policy** is provided on a “claims-made” basis, that is, insurance is limited to matters described in this **policy** which: 1) Arise out of events described in the **policy** occurring on or after the **retroactive date** in the applicable **policy Declarations** issued to the **Insured**, and 2) Are first reported by the **Insured** to Underwriters either prior to the termination of this **policy** or within any **policy period** or additional **reporting period** applicable to the **Insured**.

- Item A. **Named Insured:**
Primary Practice
Address:
- Item B. Medical Specialty:
- Item C. Certificate Period: TBD to TBD
both days at 12:01 a.m. standard time at the Primary Practice Address stated in Item A.
- Item D. Limits and Deductible:
a) Limit of Liability \$ ____ Per Claim/\$ ____ Annual Aggregate
b) Deductible \$ ____ Per Claim
- Item E. **Retroactive Date:** _____
- Item F. Premium: TBD
- 3% California State Tax \$ 0.00
0.225% Stamping Fee \$ 0.00
- Item G. **Notification under the Certificate shall be given to:**
NAS Insurance Services, Inc.
16501 Ventura Blvd., Suite 200
Encino, CA 91436
(818) 382-2030
- Item H. Policy form NAS MPL 2002 and Application Form Professional Liability Insurance – Physicians & Surgeons dated _____ and all its attachments are hereby attached and made a part of this policy. **Wherever in any of the forms, clauses or conditions of this insurance the word “Policy” appears, this shall be deemed to be “Certificate”.**
Form Numbers of Endorsements attached at policy issuance:
Insurance is effected with certain UNDERWRITERS AT LLOYD’S, LONDON (100%)
- Item I. Service of Suit:
MENDES & MOUNT
CA Insureds – CA Office
All Other Insureds – NY Office

Dated

NAS INSURANCE SERVICES, INC.

By:

SPECIMEN

Correspondent



NAS

Insurance Services, Inc.

16501 VENTURA BLVD • SUITE 200 • ENCINO, CA 91436
PHONE 818/382-2030 • FAX 818/382-2040
E-MAIL—general@nasinsurance.com WEB SITE—http://www.nasinsurance.com
LIC. #0677191

PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY POLICY (Other than Standard)

NOTICE

THIS IS A “CLAIMS-MADE” POLICY

Coverage under this **policy** is provided on a “claims-made” basis, that is, insurance is limited to matters described in this **policy** which:

1. Arise out of events described in the **policy** occurring on or after the **retroactive date** in the applicable **policy Declarations** issued to the **Insured**, and
2. Are first reported by the **Insured** to Underwriters either prior to the termination of this **policy** or within any **policy period** or additional **reporting period** applicable to the **Insured**.

Please review this **policy** carefully and discuss the coverage with an attorney, broker, insurance advisor or risk management consultant.

NOTICE

IN THE EVENT THAT YOU ARE INVOLVED IN AN ACCIDENT OR INCIDENT WHICH MAY GIVE RISE TO A CLAIM, LAWSUIT OR LEGAL OR ADMINISTRATIVE PROCEEDING, IMMEDIATELY CONTACT THE CLAIMS DEPARTMENT AT NAS INSURANCE SERVICES, INC. AT (818) 382-2030.

**PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY POLICY
(for other than Standard)**

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NOTICE

Except as may otherwise be provided herein, the coverage of this **policy** is limited generally to liability for only those **claims** that are first made against the **Insured** while the **policy** is in force. Please review the **policy** carefully and discuss the coverage with an attorney, broker, insurance advisor or risk management consultant.

CLAIMS MADE AND REPORTED INSURANCE POLICY

Certain Underwriters at Lloyds of London provide the insurance described in this insurance **policy**. The term "**Insured**" is used to describe the **Insured** person or entity, who is either named in the **policy Declarations** or **Endorsement** or is an individual described specifically in this **policy**. Terms, which appear in **boldface**, are defined in the "Definitions" section, page five (5).

This **policy** provides professional liability coverage to individual physicians and certain employed additional **Non-Physician Healthcare Professionals** for **claims** involving direct patient treatment when the **claim** arises out of an occurrence which happened during the **policy period**, and the **claim** is initially asserted against the **Insured** during the **policy period**, and the **claim** is first reported to Underwriters in writing during the **policy period**. Coverage is available only for **claims** or **suits** arising out of events, which occur after the "**retroactive date**" specified in a **policy Declarations** or an **Endorsement**, which applies to this **policy**. The **policy** will be in effect from 12:01 AM on the effective date until 12:01 AM on the day the **policy** expires or is terminated by the **Insured** or Underwriters.

This **policy** may describe coverage which is not included in the **Insured's** insurance. The **policy Declarations** or **Endorsements** applicable to this **policy** will specify the effective date and identify the specific coverage included in the **Insured's policy**. The limits of liability are specified either in the **policy Declarations** or in an **Endorsement**.

Coverage for any **claim** is contingent upon compliance with all other sections of this **policy**.

PERSONS INSURED

Each of the following is an **Insured** under this **policy** to the extent set forth below, and share limits with the **Named Insured physician** on the **policy**:

1. A **physician** (the **Named Insured**);
2. If such **physician** practices his or her profession as the sole shareholder of a **solo medical corporation**, the **solo medical corporation**;
3. Any approved **Non-Physician Healthcare Professional** employed by such **physician**, but only while acting within the scope of his or her duties for such **physician**;
4. Any approved **locum tenens**, but only while acting within the scope of his or her duties for such **physician**; and
5. Any other employee of such **physician** (other than a **Non-Physician Healthcare Professional** or **locum tenens**), but only while acting within the scope of his or her duties for such **physician**.

SCOPE OF COVERAGE

Underwriters will defend an **Insured** under this **policy**, and pay, on behalf of such **Insured**, all sums up to the limits of insurance stated on the **Declarations** or **Endorsement** that such **Insured** becomes legally obligated to pay as damages for injury which results from the rendering or failure to render direct patient treatment by:

1. An **Insured physician**;
2. An approved **Non-Physician Healthcare Professional** employed by an **Insured physician** who has been specifically identified by name in a **policy Declarations** or **Endorsement**, but only if the occurrence takes place while such **Non-Physician Healthcare Professional** is acting within the scope of his or her duties for the **physician**;
3. An approved **locum tenens** who has been specifically identified by name in a **policy Endorsement**, but only if the occurrence takes place while such **locum tenens** is acting within the scope of his or her duties for the **physician**; and
4. Any other employee of such **physician** (other than a **Non-Physician Healthcare Professional** or **locum tenens**), but only while acting within the scope of employment for such **physician**.

Underwriters' obligation to pay reasonable **Costs, Charges and Expenses** is not subject to the specified limits of liability. Underwriters' obligations to make any other payment on an **Insured's** behalf are subject to the specified limits of liability.

1. Underwriters' obligation to make any payment on an **Insured's** behalf is subject to the **Insured's** timely payment of the applicable deductible.
2. In such matters, Underwriters will also pay the costs and prejudgment interest imposed upon an **Insured** by law, post-judgment interest on a judgment against an **Insured** up to the time Underwriters makes payment, subject to the limits of liability, and premiums on appeal bonds, for bond values up to the Underwriters' limits of liability.

DEFINITIONS

The following terms, whenever they are used in this **policy**, will be defined as follows:

1. **Application:**
 - A. The **Application** for this **policy** or any **policy** of which this **policy** is a renewal; and
 - B. Any materials submitted therewith.
 - C. These items shall be retained on file by Underwriters and shall be deemed attached hereto, as if physically attached hereto.
2. **Additional Insured:** Non-physician employees of the **Named Insured** who are not required to be licensed or certified to provide any services for which they are employed, but only with respect to healthcare services they perform within the authorized scope of their employment by the **Insured**.

3. **Additional Named Insured:** Persons or entities that must be specifically identified by name in a **policy Declaration** or **Endorsement** in order to be covered under this **policy**. This category includes the **Named Insured's solo professional corporation** and persons practicing or licensed in any of the following categories:
 - A. Acupuncturists
 - B. Psychologists;
 - C. Counselors;
 - D. Social Workers;
 - E. Nurses;
 - F. Nurse Practitioners;
 - G. Nurse Anesthetists;
 - H. Nurse Midwives;
 - I. Perfusionists;
 - J. Physicians Assistants;
 - K. Scrub Nurses;
 - L. Surgical Assistants;
 - M. Technicians or Therapists who are required to be licensed or certified;
 - N. Optometrists;
 - O. Opticians; or in any other position requiring licensure or certification
4. **Bodily Injury:** Physical injury, including death, physical sickness or physical disease.
5. **Claim:** Any written demand for damages or other relief against any of the **Insureds** by or on behalf of a patient or said patients legal heirs.
6. **Costs, Charges and Expenses:** Reasonable and necessary legal fees and expenses incurred in defense of any **claim** and cost of attachment or similar bonds, but shall not include:
 - A. Salaries, wages, overhead or any expenses associated with the **Named Insured's** medical practice and/or **solo professional corporation**; or
 - B. Any amounts incurred in defense of any other **claim** for which any other insurer has a duty to defend.
7. **Declaration(s) or Endorsement(s):** A written document labeled as a **Declaration** or **Endorsement** issued by Underwriters to the **Insured**, applicable to this **policy**. The **policy Declaration(s)** or **Endorsement(s)** is a part of the **policy**.

8. **Insured(s):** An **Insured** individual or entity under this **policy** who is identified as a “**Named Insured**” or an “**Additional Named Insured**” or an “**Additional Insured**” in a **policy Declarations** or **Endorsement (s)**.
9. **Locum Tenens:** A medical physician who substitutes for another physician for a finite period of time. The **Locum Tenens** and the length of the replacement must be pre-approved by Underwriters. **Locum Tenens** coverage is only available for physicians.
10. **Loss:** Damages, including medical, economic and general compensatory damages; judgments (including pre-judgment and post-judgment interest awarded against an **Insured** on that part of any judgment paid or to be paid by Underwriters); settlements; **Costs, Charges and Expenses**, including attorney fees; but shall not include civil or criminal fines or penalties imposed by law or any other matters deemed uninsurable under the law pursuant to which this **policy** shall be construed.
11. **Named Insured:** The **physician** named in Item A of the **Declarations**.
12. **Non-Physician Healthcare Professionals:** Non-physician employees or contractors of the **Named Insured** who may be required to be licensed or certified to provide the services for which they are employed, but do not have an active medical license in the jurisdiction where they are employed.
13. **Physician:** A medical doctor or osteopath licensed to practice medicine in the applicable jurisdiction;
14. **Policy:** The written insurance agreement herein issued to an **Insured** upon **Application** and approval by Underwriters, and all **policy Declarations** and **Endorsements**, which apply to the **Insured**.
15. **Policy Period:** This **policy** does not apply to the **Insured** until a **policy Declaration** is issued by Underwriters, describing the specific period of time this **policy** shall be in effect. That period of time is a **policy period**, and commences at 12:01 A.M. on the effective date of the **policy declaration**. The **policy period** continues until 12:01 A.M. on the day the **policy** expires, is terminated, or is canceled, whichever occurs first. A **policy period** may be no longer than one “**policy year**”, which is a twelve-month period.
16. **Professional Services:** Includes but is not limited to direct patient treatment and other medical, surgical, x-ray or nursing services, or treatment.
17. **Reporting Endorsement:** A written **Endorsement** issued to a **physician**, which permits the **physician** to report **claims** otherwise covered by certain coverages of this **policy** after the end of the **policy period**. The **reporting Endorsement** shows the **physician** as the **Named Insured**, the **policy** number, the **retroactive date**, the expiration or cancellation date, the applicable coverages, the premium and the **reporting period** covered by the **Endorsement**.
18. **Reporting Period:** The period of time specified in a **reporting Endorsement** during which **claims** arising from occurrences during the **policy period** that are covered by the applicable coverages can be reported to Underwriters. All dates shown are 12:01 a.m. at the address shown in **Item A**. of the **Declarations**.
19. **Retroactive Date:** The **Retroactive Date** is specified by Underwriters in a **declaration** or **Endorsement** issued to the **Insured**.
20. **Solo Professional Corporation:** The **Named Insured’s solo professional corporation** wherein the professional corporation has a single shareholder, the **Named Insured** under this **policy**, who is engaged in the delivery of health care services.

21. **Suit:** A civil proceeding in which damages because of **bodily injury** to which this insurance applies are alleged. **Suit** includes an arbitration proceeding alleging such damage to which the **Insured** must submit or does submit with the Underwriters' written consent.

GENERAL CONDITIONS

These general conditions describe and limit the amount and availability of insurance provided under this **policy**, except in those instances where the **policy** itself makes different provisions applicable to specified coverage. In order for insurance described in this **policy** to apply to the **Insured**, said **Insured** must comply with each of the conditions described below. Underwriters will not be obligated to provide coverage if the **Insured** fails to comply with any condition.

1. LIMITS OF LIABILITY

- A. The amount of insurance coverage available for indemnity payments for covered **claims** shall be as described in the **Declarations** or **Endorsement** (s).
- B. Limits of liability specified in a **Declarations** or **Endorsement** of this **policy** apply for all covered **claims** under this **policy**, and shall not be multiplied or expanded regardless of the number of **Insureds** or persons entitled to insurance coverage under this **policy**.
- C. The amount of insurance available from Underwriters for covered **claims** arising from a single act, omission, or event, or from related acts, omissions, or events, shall be limited to the sum described in a **Declarations** or **Endorsement** under the heading of "Per Claim" limit, and this amount shall not be multiplied or expanded, regardless of the number of injuries, claimants, or litigants, or the number of **claims**, lawsuits, arbitrations, or legal or administrative proceedings which result.
- D. For covered **claims** which arise from different or unrelated acts, omissions, or events which are first reported to Underwriters within the same **policy** year, the insurance available from Underwriters shall be limited to the total sum described in the **Declarations** or **Endorsement** under the heading of "Aggregate" limit, and shall not be multiplied or expanded, regardless of the number of injuries, claimants, or litigants, or the number of **claims**, lawsuits, arbitrations, or legal proceedings which result.
- E. The "Per Claim" and "Aggregate" limits of liability under this **policy** are not cumulative, even if related acts, omissions, accidents, incidents or events span more than one **policy** year.

2. EFFECTS OF SUBSEQUENT DECLARATIONS OR ENDORSEMENTS

Successive **policy Declarations** or **Endorsements** may be issued to the **Insured** by Underwriters, upon renewal or at certain other times. The **policy Declarations** or **Endorsement** applicable to such **Insured's** coverage when a **claim** is reported to Underwriters shall be the **Declarations** or **Endorsement** most recently issued prior to the **Insured's** report of the **claim**.

3. DUTIES OF INSURED IN EVENT OF A CLAIM

When the **Insured** first becomes aware of any act, omission, event, incident, or accident which may give rise to a **claim** against such **Insured**, or if the **Insured** obtains knowledge or information from any source that such a matter is contemplated, likely, or has been initiated, said **Insured** must promptly give Underwriters written notice of the **claim**, providing such information as is known to the **Insured**, as well as any information subsequently becoming known to the **Insured** or requested by Underwriters. The **Insured** must promptly provide Underwriters with written notice of the particulars concerning the matter, including information regarding the identity of persons and entities involved, the time, place, and circumstances of the events or occurrences, and names and addresses of injured

parties and witnesses. Such **Insured** must also promptly forward every demand, notice of intention to file **suit**, summons, subpoena, or other legal process, which the **Insured** or his representatives receive. A **claim** under this **policy** shall not be considered made or reported unless and until the **Insured** provides Underwriters with written notice.

4. SETTLEMENT, CONSENT AND DEFENSE

A. SETTLEMENT

- 1) No settlement shall be made or negotiated, and no **Costs, Charges and Expenses** shall be incurred without Underwriters' consent, such consent not to unreasonably withheld. Underwriters shall have the right to investigate and settle any **claim**; however, no settlement shall be made without the consent of the **Named Insured**, such consent not to be unreasonably withheld.
- 2) Underwriters will not settle any **claim** against an **Insured physician**, an approved healthcare professional or an approved **locum tenens** involving direct patient care without the consent of the **Named Insured** listed on the **policy**. As all employed and contracted personnel share limits with the **Named Insured**, and all settlements are reported on behalf of the **Named Insured**, such **Insured's** consent is required for settlement.

All settlements will be reported to the National Practitioner Data Bank and applicable state agencies in compliance with Federal and State laws. While all settlement will be made on behalf of the **Named Insured physician**, all defendant parties will be reported to the National Practitioner Data Bank (NPDB), and any applicable state agency.

B. CONSENT

- 1) Underwriters may from time to time recommend settlement of a **claim**. This recommendation will be based on careful consideration of all circumstances surrounding the **Insured's** potential liability. Such **Insured** agrees to give careful consideration to this recommendation.
- 2) If Underwriters recommend a settlement and such **Insured** disagrees, and elects to contest or continue any legal proceedings, then Underwriters' liability will be limited to 50% of the amount in excess of the amount for which the **claim** could have been settled, including **Costs, Charges and Expenses**. Underwriters will state their recommended settlement figure in writing.

C. DEFENSE

- 1) With respect to any **claim** which falls, or is claimed to fall, in whole or in part within the insurance coverage of this **policy**, Underwriters shall have the sole and exclusive right to investigate, negotiate, evaluate, control, and direct the defense of such matter, including the right to appoint legal counsel behalf of the **Insured**, as may be permitted or limited by law. With respect to any covered **claim**, legal counsel selected by the **Insured** shall not be permitted to intervene or substitute into the defense of the matter without the prior consent and written approval of Underwriters.
- 2) Underwriters shall have the right and duty to defend any **claim** and such right and duty shall exist even if any of the covered allegations are groundless false or fraudulent. **Costs, Charge and Expenses** incurred by Underwriters shall be paid by Underwriters as a part of, and not in addition to, Underwriters' Limit of Liability set forth in the **Declarations**.

- 3) Underwriters shall have no obligation to pay any **Loss**, including **Costs, Charges and Expenses** or to defend or continue to defend any **claim** after the limit of liability as set forth in the **Declarations** has been exhausted by payment of **Loss**.

5. TERRITORY

This **policy** applies to **claims** arising out of treatment rendered, or not rendered and brought in the United States of America.

6. ASSISTANCE AND COOPERATION

The **Insured** is required to cooperate with Underwriters in all respects in matters pertaining to this insurance and, upon request of Underwriters, shall provide information, attend hearings and trials, and assist in making settlements, securing and giving evidence, giving statement and depositions where requested, obtaining the attendance of witnesses, and otherwise facilitating the conduct of any proceeding in connection with the subject matter of this insurance, including a review of the **claim** or lawsuit by a medical review and advisory committee or similar committee of a professional society or organization as may be selected by Underwriters. Such **Insured** must not voluntarily make any payment, assume any obligation, or incur any expense with respect to a covered **claim** except with prior written consent of Underwriters.

7. PREMIUMS GENERALLY

The insurance available under the **policy** is provided in return for, and expressly conditioned upon, timely payment by the **Insured** of a premium established by Underwriters. All premiums for this **policy** shall be computed solely by Underwriters in accordance with Underwriters' procedures and rating plans applicable to this insurance. In the event of a change in the **Insured's** professional practice or activities which, in the opinion of Underwriters, materially alters the risk or affects the hazard insured against, as a condition of continued coverage Underwriters shall have the right to impose and obtain additional premiums consistent with Underwriters rating plans applicable to such practices or activities. The **Insured** is required to make and retain records of such information as is necessary for premium computation according to procedures and rating plans of Underwriters, and must make copies of such records available to Underwriters at such time as Underwriters may reasonably request.

8. PREMIUM PAYMENTS — AUTOMATIC TERMINATION

All premiums for this **policy** are payable annually as established by Underwriters. Unless the time for payment is extended by Underwriters in writing, the **Insured** will be deemed in default if the premium is not paid on or before its due date, and the **policy** will terminate automatically, without notice, as of 12:01 a.m. Standard Time at the expiration of the period through which the premium has been paid. It is the **Insured's** duty to ensure that premiums are promptly paid to Underwriters, regardless of whether premium statements are received from Underwriters.

9. OTHER INSURANCE

If the **Insured** has other valid and collectible insurance for acts, omissions, events, incidents, or accidents covered under this **policy**, or any other source for indemnification or reimbursement for damages, settlement, legal fees, costs, or expenses as a result of such matters, insurance under this **policy** shall not apply until the limits of such other insurance or other sources have been exhausted.

If any individual or professional corporation identified under this **policy** as an "Additional **Insured**" or is also covered under a separate Underwriters **policy**, any exclusions of coverage under such separate Underwriters **policy** shall automatically apply to this **policy**, and no coverage shall be available when liability is imposed, or sought to be imposed, upon such individual or professional corporation based upon acts or omissions excluded under this **policy** or such separate Underwriters **policy**.

10. SUBROGRATION AND REIMBURSEMENT FOR THIRD PARTY LIABILITY

- A. Subrogation — In the event of any payment by Underwriters under this **policy**, Underwriters shall be subrogated to the **Insured's** rights of recovery against any person or organization and the **Insured** must promptly execute and deliver whatever documents, instruments, or papers are necessary and appropriate to effectuate said subrogation, and to do whatever else is necessary to secure such rights for Underwriters. The **Insured** must do nothing to adversely influence or prejudice the subrogation rights of Underwriters.
- B. Reimbursement for Third Party Liability — In the event the **Insured** asserts any **claim** against a third party for damages, indemnification, contribution, or reimbursement for events for which sums were paid under this **policy** on the **Insured's** behalf, Underwriters will shall have a lien against such sums recovered by the **Insured** to the extent that sums were paid by Underwriters, and the **Insured** is required to promptly execute and deliver any documents, instruments, or papers necessary to effectuate such lien, and to do whatever else is necessary to secure such lien rights of Underwriters, doing nothing to prejudice Underwriters' lien rights.

11. REPRESENTATIONS

- A. By acceptance of this **policy**, the **Insured** acknowledges that the statements made in the **Application** for insurance are true and correct, that said **Insured** and his employees, agents, or representatives have not withheld or failed to disclose pertinent information, and that the **Insured** has given careful consideration to the statements and information provided. Said **Insured** further acknowledges that such statements are material representations, and that any **policy** issued by Underwriters is issued in reliance upon the truth and accuracy of such statements. The **Insured** further agrees that this **policy** embodies all agreements, representations and commitments by Underwriters, or any of its employees, agents, representatives or counsel regarding the subject of insurance coverage.
- B. The **Insured** agrees to promptly report to Underwriters any material changes in the information previously reported to Underwriters in connection with this insurance. Further, the **Insured** agrees that any material changes in professional practice or activities may be a basis for imposition of an additional premium, at the election of Underwriters, which is consistent with its rating plans, as well as imposition of other terms, conditions, or limitations of insurance coverage, including cancellation if Underwriters determines the changed circumstances affect the hazard insured against.

12. WAIVER

Notice to any representative of Underwriters, or knowledge possessed by any representative or person employed by or related to Underwriters shall not constitute a waiver or change of any Part of this **policy**, or preclude Underwriters from asserting any right under the terms of this **policy**, nor shall the terms of this **policy** be deemed to be waived or changed by virtue of any representation or written or oral statement by Underwriters or their representatives, except as such waiver or change may be described by Underwriters in an **Endorsement** or **policy Declarations** issued to the **Insured**.

13. ASSIGNMENTS AND ACTIONS AGAINST UNDERWRITERS

No action shall lie against Underwriters unless, as a condition precedent thereto, the **Insureds** shall have fully complied with all the terms of this **policy**, nor until the amount of the **Insureds'** obligation to pay shall have been fully and finally determined either by judgment against them or by written agreement between them, the claimant and Underwriters. Nothing contained herein shall give any person or organization any right to join Underwriters as a party to any **claim** against the **Insureds** to determine their liability, nor shall Underwriters be impleaded by the **Insureds** or their legal representative in any **claim**. Assignment of interest under this **policy** shall not bind Underwriters unless their consent is endorsed hereon.

14. TERMINATION

- A. Insurance coverage under this **policy** ends upon cancellation, upon the end of the **policy period** specified in the **policy Declarations** or **Endorsement** issued to the **Insured**, at the end of the **reporting period** specified in the reporting **Endorsement** issued to such **Insured**, or upon automatic termination of the **policy** relating to nonpayment of premium or relocation of the designated principal place of practice, as described in the General Conditions, whichever occurs first.
- B. If any individual or **solo professional corporation** identified under this **policy** as an “**Additional Insured**” or “**Non-Physician Healthcare Professional**” is no longer employed or associated with the **Insured**, and fails to obtain insurance coverage equivalent to the insurance afforded herein for the period the individual was employed or associated with the **Insured**, or if said **Insured** fails to obtain such coverage on behalf of such individual, insurance from Underwriters otherwise available to such person, or to the **Insured** under this **policy** for acts or omissions of such person shall automatically terminate except for those **claims** first reported to Underwriters during the period of employment or association.

15. CANCELLATION

- A. Insurance coverage under this **policy** for the **Insured** is automatically canceled, upon death, permanent disability, or a judicial determination of incompetency.
- B. In addition to the grounds for cancellation described in this **policy**, and except as otherwise limited by applicable law, insurance coverage may be cancelled by the **Insured** or Underwriters, without cause, and without any cause of action accruing against the canceling party, upon written notice to the other specifying the date following which the cancellation shall be effective, in which case the date specified shall constitute end of the **policy period**; provided however, that if Underwriters cancel for any reason other than non-payment of premium, at least 30 days advance written notice of cancellation shall be mailed to the **Insured** at the **Insured's** address as stated in the **policy Declarations**.
- C. Should the **Insured** cancel this **policy** prior to the state expiration date listed on the **Declarations**, a minimum 25% earned premium surcharge will be added prior to the calculation of the return premium.

16. AVAILABILITY AND TERMS OF REPORTING ENDORSEMENT

If the **Insured** is identified by Underwriters under the heading of “**Named Insured**” in a **policy Declarations** or **Endorsement**, the **Insured**, and the **Insured's** estate or legal representative, shall have the right, upon written request and following payment of a premium to be determined by Underwriters at that time, to have issued **reporting Endorsement (s)** providing an additional **reporting period**, unless the termination of the **Insured's** coverage was for non-payment of premium, in which case the advance payment of the pro-rata premium through the date of cancellation must also be made to Underwriters before **reporting Endorsement (s)** shall be issued. Insurance coverage under a **reporting Endorsement** may be modified by terms and conditions established by Underwriters as set forth in such **reporting Endorsement (s)**. However, the amount of insurance under **reporting Endorsement (s)** shall be the same as the limits of liability in the **policy Declarations** or **Endorsement (s)** issued to the **Insured** by Underwriters prior to the termination of the **policy**. In this event, it is further provided that the **Insured** shall be entitled to issuance of **reporting Endorsement (s)** by Underwriters, but only upon such terms and conditions and payment of additional premiums as may be determined by Underwriters.

17. INSPECTION AND AUDIT

Underwriters and their representatives shall be permitted to inspect the **Insured's** professional office premises, property and operations at any time. Neither Underwriters' right to make such inspections nor the making thereof, nor any report thereon shall constitute an undertaking by Underwriters that such property or operations are safe. Underwriters may request and undertake a reasonable examination and audit the **Insured's** books and records insofar as they relate to the subject matter of this insurance.

18. ARBITRATION

Any dispute between the **Insured** and Underwriters arising out of, in connection with or relating to this **policy** shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association ("AAA") then in effect, except that the arbitration panel shall consist of one arbitrator selected by the **Insured**, one arbitrator selected by Underwriters and a third independent arbitrator selected by the first two arbitrators.

19. BANKRUPTCY OF INSURED

Insolvency or bankruptcy on the part of the **Insured** will not release Underwriters from the payment of damages for injury sustained or **loss** occasioned during the term of said **policy**.

20. ENTIRE AGREEMENT

By acceptance of this **policy**, the **Insured** agrees that this **policy** embodies all agreements existing between them and Underwriters or any of their agents relating to this insurance. Notice to any agent or knowledge possessed by any agent or other person acting on behalf of Underwriters shall not effect a waiver or a change in any part of this **policy** or estop Underwriters from asserting any right under the terms of this **policy**, nor shall the terms be deemed waived or changed except by written **Endorsement** issued by Underwriters issued to form part of this **policy**.

21. PRINCIPAL PLACE OF PRACTICE

The **Insured** agrees that insurance coverage under this **policy** is available only if the **Insured** maintains the principal place of practice in the location identified by the **Insured** in his **Application** for insurance by Underwriters, and that relocation by the **Insured** to another principal place of practice without notification and agreement by Underwriters as evidenced by Underwriters' issuance of a **policy Declarations** or **Endorsement** shall constitute an automatic termination of insurance coverage under this **policy**.

22. NON-ASSESSABILITY

This **policy** is not assessable.

EXCLUSIONS

1. No Defense or Payment of Damages

There are certain **claims** involving direct patient treatment that this **policy** does not cover. Underwriters will neither defend any **Insured** nor pay any damages because of a **claim**, which arises out of or results from any of the following:

- A. If not reported by the **Insured** to Underwriters during the **policy period**.

- B. Any liability sought or imposed upon the **Insured** because of the **Insured's** status as a partner, representative, associate, or joint venturer with any person or entity, or as a result of the **Insured's** status as a member, shareholder, officer, director, trustee, agent, or representative of a corporation (other than the **Named Insured's solo professional corporation**) or unincorporated association.
- C. Any liability sought or imposed upon the **Insured** for acts or omissions of physicians, professional corporations, or persons associated with or employed by the **Insured** other than nurses, medical assistants, and persons not required to be licensed or certified to perform any duties for which they are employed, unless the **Insured** has given written notice of such employment or association to Underwriters within 10 days after such employment or association commences, and Underwriters have issued a **Declarations** or **Endorsement** identifying those persons under the heading of "**Non-Physician Healthcare Professionals.**"
- D. Any liability sought or imposed upon the **Insured** as a result of acts or omissions during any employment by the United States Government or any other governmental or public entity.
- E. Any liability sought or imposed upon the **Insured** as a result of the use, administration or prescription of any drug, pharmaceutical or medical device disapproved or not yet approved by the United States Food and Drug Administration for treatment of human beings, unless the **Insured** has requested approval from Underwriters for the use, administration or prescription of such drug, pharmaceutical or medical device and Underwriters have given such approval in writing.
- F. Any liability sought or imposed upon the **Insured** as a result of an occurrence happening while the license to practice medicine or the certification of the individual responsible for providing direct patient treatment is not in effect.
- G. Any liability sought or imposed upon the **Insured** as a result of an occurrence involving the dispensing of controlled substances during the course of direct patient treatment which happened while the license or registration to dispense such controlled substances issued to the individual responsible for providing direct patient treatment is not in effect.
- H. Any liability sought or imposed upon the **Insured** as a result of the **Insured's** activity as an owner, shareholder, partner, investor, joint venturer, officer, director, administrator, or medical director of a hospital, clinic, ambulatory care center, sanitarium, skilled nursing facility, surgery center, convalescent hospital or home, hospice, laboratory, free-standing treatment facility, pathology laboratory, radiology facility, emergency or urgent care center, health maintenance organization, health care service plan, preferred provider organization, or any similar health care entity or delivery system, health care supply or support organization, or any other business organization or operation, whether or not medically related, which is not identified as a "**Named Insured**" or an "**Additional Insured**" in a **Declarations** or **Endorsement**. This exclusion shall not apply to the extent the **Insured's** liability arises out of the **Insured's** rendering or failing to render direct patient care as outlined under Scope of Coverage, in the event of the **Insured's** personal and direct participation in the events for which damages or liability is sought or imposed.
- I. Any liability sought or imposed because of the **Insured's** written or oral agreement to hold harmless, indemnify, or otherwise assume another's obligation or liability, if liability or the amount of damages sought or imposed upon the **Insured** is greater than that which would exist in the absence of such an agreement.
- J. Any liability sought or imposed, or sought to be imposed, as a result of intentional, willful, criminal, malicious or fraudulent acts.
- K. Any liability sought or imposed as a result of advertising, broadcasting, or telecasting activities.

- L. Any liability sought or imposed for the **Insured's** acts or omissions while the **Insured's** principal place of practice is other than that identified by the **Insured** in prior notification to Underwriters.
- M. Any liability sought or imposed upon the **Insured** as a result of a **claim** for return or nonpayment of fees or governmental payments for direct patient treatment.
- N. Any liability sought or imposed upon the **Insured** as a result of any actual or alleged involvement in any antitrust law violations.
- O. Any liability sought or imposed for injury, damage, sickness, disease, or death of any of the **Insured's** employees, agents, or representatives, arising out of and in the course of such person's employment by the **Insured**, or under any workers' compensation, unemployment compensation, disability benefits, or similar law relating to employee benefits, welfare, or entitlements.
- P. Any liability sought or imposed upon the **Insured** as a result of any defect in goods or products developed, manufactured, assembled, sold, handled or distributed by the **Insured** or others trading under the **Insured's** name, except that defects in goods and products which are dispensed or administered to patients of the **Insured** or altered by an **Insured** in his or her provision of direct medical treatment are not excluded.
- Q. Any liability sought or imposed for property damage to property owned, leased, or rented, in whole or in part, by the **Insured**, or entrusted to the care, custody, and control of the **Insured**, or the **Insured's** employees, agents, or representatives.
- R. Administrative Proceedings

Underwriters will neither defend nor pay sanctions or penalties, which result from any of the following:

- 1) Any disciplinary or administrative proceeding, such as a state medical licensing board review; or
 - 2) A review of the quality of the **Insured's** care by agencies or entities conducting utilization review for government and private insurance companies.
 - 3) A review of the **Insured's** billing practices by the Office of the Inspector General of the Department of Health and Human Services, by the United States Department of Justice, by a state agency, by a County, by a County Hospital, by a Hospital of any type, by any medical health plan or provider when taking action which may result in the termination of your right to provide services under any program for the provision of health care services.
- S. Any liability sought or imposed for damage or injury resulting from:
- 1) Surgical proceedings involving the spinal column, including the brain, unless:
 - a. Required by a bonafide emergency requiring immediate intervention; or
 - b. The **Insured** participates as an assistant surgeon only.
 - 2) Cosmetic Surgery
 - 3) The use of chymopapain.
 - 4) Chelation therapy in the treatment of cardiovascular disease.
 - 5) Refractive keratoplasty procedures, including but not limited to Lasik procedures.

- 6) Liposuction.
 - 7) The delivery of infants, except in the case of a bonafide emergency.
 - 8) The use of intragastric balloons or similar medical devices in connection with a program directly or indirectly related to weight control or reduction.
 - 9) The practice of medical weight management including surgical weight reduction procedures.
 - 10) Any treatment for sexual dysfunction, including but not limited to surgical alteration procedures.
 - 11) The practice of Telemedicine
 - 12) The practice of the specialty of Emergency Medicine.
 - 13) The use of drug shock therapy.
 - 14) The use of laetrite.
 - 15) The practice of diagnostic radiology, except in the case of a bonafide emergency.
- T. Regardless of when any **claim, loss**, arbitration, or proceeding is reported to Underwriters, no insurance coverage is afforded to the **Insured** for acts, omissions, events, accidents, or incidents, which occur prior to the **retroactive date**.
- U. There is no coverage under this **policy** for payment of exemplary or punitive damages, civil fines, or assessments.
- V. There is no coverage of any kind for any **bodily injury** or property damage:
- 1) With respect to which insurance is or can be available to the **Insured** under a nuclear energy liability **policy**.
 - 2) Which results from the hazardous properties of nuclear material for which financial protection would be required under the Atomic Energy Act of 1954 (as amended) or for which the **Insured** would be entitled to indemnity from the United States of America pursuant to the Atomic Energy Act of 1954 (as amended).

2. Defense Only — No Payment of Damages

Underwriters will defend an **Insured** against a **claim** otherwise covered by this **policy**, which includes allegations of:

- A. A guarantee of the results of any direct patient treatment.
- B. Sexual relations, sexual abuse, sexual contact, sexual intimacy, sexual battery, or sexual exploitation by an **Insured**.
- C. An occurrence while any **Insured** rendering direct patient treatment is under the influence of alcohol, narcotics or hallucinogenic agents, or which results from other substance abuse.

In consideration of payment of premium, in reliance upon the statements and representations in the **Application (s)** for insurance and the **Declarations** made a part hereof, and subject to all the terms of this **policy**, Underwriters agree with the **Named Insured physician** as set forth above.

This **policy** shall not be effective for any purpose unless and until a completed **Declarations** is issued to the **Named Insured physician** by Underwriters. Such **Declarations** shall form a part of this **policy**.

NAS Insurance Services, Inc.

By: **SPECIMEN**

**On behalf of the Underwriters
providing this insurance.**