

EXHIBIT B

Insurer:



EVANSTON INSURANCE COMPANY

[A stock insurance company, herein called the Company, which except in Illinois is a non-admitted insurer, writing pursuant to the surplus lines laws and not under the jurisdiction of the Insurance Commissioner.]



EVANSTON INSURANCE COMPANY

Policy No. SM-887805
Prev. No. SM-881737
Prod. No. SC210

DECLARATIONS – SPECIFIED MEDICAL PROFESSIONS GENERAL LIABILITY (INCLUDING PRODUCTS AND COMPLETED OPERATIONS LIABILITY) - OCCURRENCE COVERAGE

SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY – CLAIMS MADE COVERAGE

There are both occurrence coverages and claims made coverages in this policy.

Occurrence Coverage: The General Liability Coverage afforded by this policy is limited to liability for Occurrences or offenses which take place during the Policy Period.

Claims Made Coverage: The Professional Liability Coverage afforded by this policy is limited to liability for only those Claims that are first made against the Insured during the Policy Period or the Extended Reporting Period, if exercised.

Notice: This is a duty to defend policy. Additionally, this policy contains provisions that reduce the limits of liability stated in the policy by the costs of legal defense and permit legal defense costs to be applied against the deductible, unless the policy is amended by endorsement. Please read the policy carefully.

1. **NAMED INSURED:** NARCONON OF GEORGIA
2. **BUSINESS ADDRESS:**
5688 PEACHTREE PARKWAY #B1
Norcross, GA 30092
3. **POLICY PERIOD:** From June 25, 2012 to June 25, 2013
12:01 A.M. Standard Time at address of Insured stated above
4. **A. SPECIFIED PRODUCTS, GOODS, OPERATIONS AND PREMISES COVERED:**
Outpatient drug and alcohol rehabilitation; all related premises and operations of the Insured
- B. PROFESSIONAL SERVICES:**
Outpatient drug and alcohol rehabilitation and counseling
5. **LIMITS OF LIABILITY:**
 - A. For General Liability:
 1. For Coverage A. (Bodily Injury and Property Damage Liability):
 - (i) Each Occurrence: \$ 3,000,000
 - (ii) Damage to Premises – Any One Premises: \$ 50,000
 2. For Coverage B. (Personal Injury and Advertising Injury Liability):
Each Person or Organization: \$ 3,000,000
 3. For Coverage C. (Medical Payments):
 - (i) Each Injured Person: \$ 5,000
 4. Aggregate – All Coverages: \$ 3,000,000

- B. For Professional Liability:
- | | |
|-------------|--------------|
| Each Claim: | \$ 3,000,000 |
| Aggregate: | \$ 3,000,000 |
6. **DEDUCTIBLE:**
- A. For General Liability:
- For Coverage A (Bodily Injury and Property Damage Liability):

Each Occurrence:	\$ 10,000
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 - For Coverage B (Personal Injury and Advertising Injury Liability):

Each Person or Organization:	\$ 10,000
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- B. For Professional Liability:
- | | |
|-------------|-----------|
| Each Claim: | \$ 10,000 |
|-------------|-----------|
7. **RETROACTIVE DATE:**
For Professional Liability: August 19, 2011
8. **RATE:** Flat
- PREMIUM BASE:** Flat
9. **PREMIUM FOR POLICY PERIOD:**
- | | |
|---------|--------------|
| Minimum | \$ 87,389.00 |
| Deposit | \$ 87,389.00 |
10. **PREMIUM FOR EXTENDED REPORTING PERIOD:**
For Professional Liability: 150% for 12 months; 175% for 24 months; or 200% for 36 months
11. The Insured is not a proprietor, superintendent, executive officer, director, partner, trustee or employee of any hospital, sanitarium, clinic with bed-and-board facilities, laboratory, or any business enterprise not named in Item 1. hereinabove, except as follows:
None

12. **ENDORSEMENTS ATTACHED AT POLICY INCEPTION:**

1. MEIL 1313 02 12 Amendment of Definitions and Exclusions - Electronic Data and Distribution of Material in Violation of Statutes
2. EIC 4652 Employee Benefits Liability Coverage - Coverage D.
3. EIC 4819 Claim Expenses in Addition to the Each Claim Limit of Liability
4. EIC 4645 Claim Expenses in Addition to Per Claim Limit
5. MESM 2083 01 11 Health Insurance Portability and Accountability Act (HIPAA) - Civil Monetary Penalty Endorsemen
6. EIC 4666 Sexual Acts Liability Endorsement
7. EIC 4660 Additional Insured Endorsement for Landlords, Sponsors or Lessors
8. EIC 4670 Additional Insured Endorsement - General Liability
9. EIC 4669 Additional Insured Endorsement - Professional Liability
10. MESM 2034 04 11 DataBreach Coverage Parts Endorsement
11. EIC 4601 Amendment of Cancellation
12. EIC 4115-01 25% Minimum Earned Premium Endorsement
13. EIC 832-01 Asbestos Exclusion
14. ZZ-44002-01 Mold Exclusion
15. MEIL 5229 09 10 Longer Duration Extended Reporting Period Availability
16. EIC 4638-02 Certified Acts of Terrorism Endorsement
17. MEIL 5410 02 12 Amendment of Definitions and Exclusions - Electronic Data and Distribution of Material in Violation of Statutes
18. EIC 4604-01 Split Retroactive Date

13. **NOTICES:**

Notices required to be provided to the Company under this policy shall be addressed to:

CLAIM NOTICES:

Claims Service Center
 MARKEL SERVICE, INCORPORATED
 Ten Parkway North
 Deerfield, Illinois 60015
 Fax: (847) 572-6338
 E-mail: newclaims@markelcorp.com
 Phone: (847) 572-6000

ALL OTHER NOTICES:

MARKEL WEST INSURANCE SERVICES
 21600 Oxnard Street, Suite 400
 Woodland Hills, CA 91367

Fax: (866) 730-2529
 Phone: (818) 595-0600

by 
 Rene Barton, Territory Underwriting Manager
 Markel West Insurance Services
 Countersignature

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

RE: Policy Number: SM-887805
Insured: NARCONON OF GEORGIA
Insurer: EVANSTON INSURANCE COMPANY
Risk ID. No.: 3910117

You are hereby notified that under the Terrorism Risk Insurance Act as amended in 2007 the definition of terrorism has changed. *As defined in Section 102(1) of the Act:* The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under the Act, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. The Act requires EVANSTON INSURANCE COMPANY to also notify you that Terrorism Coverage required to be offered by the Act for losses caused by certified acts of terrorism is partially reimbursed by the United States Government under a formula established by federal law. Under this formula, the United States Government generally pays 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this terrorism coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

The Terrorism Risk Insurance Act as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Nothing in this notice affects or modifies your coverage except and only to the extent specifically required by the Act. You should also know that under federal law you are NOT required to purchase terrorism coverage.

Certified Acts of Terrorism coverage is provided for no additional premium.

**Markel's Designed Protection®
Risk Management Resource Allied Health Care
(Specified Medical) Professions**

Welcome to Markel's Designed Protection® leading edge Risk Management Resources.

The following risk management resources are available exclusively to our policyholders at our website www.markelcorp.com/riskmanagement at *no additional cost*.

HOW TO QUICKLY ACCESS RISK MANAGEMENT RESOURCES:

Step 1. Go onto our website, www.markelcorp.com/riskmanagement.

Step 2. Select the Designed Protection services that apply to your policy, to get to the Login screen.

Step 3. Review the disclaimer, enter your current policy number and click on the button below to access. Your policy number is SM-887805.

If you need technical assistance during the log in process, call (866) 932-2433.

Available Risk Management Resource:

**Designed Protection® Risk Management Telephone Hotline for Allied Health
Care (Specified Medical) Professions**

This confidential telephone hotline is staffed by healthcare professional defense attorneys that are available to answer general risk management questions.



EVANSTON INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF DEFINITIONS AND EXCLUSIONS – ELECTRONIC DATA AND DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY (INCLUDING PRODUCTS AND COMPLETED OPERATIONS LIABILITY) INSURANCE POLICY
SPECIFIED MEDICAL PROFESSIONS GENERAL LIABILITY (INCLUDING PRODUCTS AND COMPLETED
OPERATIONS LIABILITY) COVERAGE PART – OCCURRENCE COVERAGE
SPECIFIED MEDICAL PROFESSIONS GENERAL LIABILITY (INCLUDING PRODUCTS AND COMPLETED
OPERATIONS LIABILITY) INSURANCE COVERAGE PART – CLAIMS MADE COVERAGE

1. Section Definitions is amended by the addition of the following:

Electronic Data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or other media which are used with electronically controlled equipment.

2. Section Definitions, Property Damage, is deleted and replaced as follows:

Property Damage means:

1. physical injury to or destruction of tangible property, including consequential loss of use thereof; or
2. loss of use of tangible property which has not been physically injured or destroyed; provided, however, such loss of use is caused by an Occurrence;
provided, however, tangible property shall not include Electronic Data.

3. Section The Exclusions A. is amended by the addition of the following:

any Claim based upon or arising out of any violation of:

- (a) the Telephone Consumer Protection Act of 1991 (TCPA) and amendments thereto or any similar or related federal or state statute, law, rule, ordinance or regulation;
- (b) the CAN-SPAM Act of 2003 and amendments thereto or any similar or related federal or state statute, law, rule, ordinance or regulation; or
- (c) any other statute, law, rule, ordinance or regulation that prohibits or limits the sending, transmitting, communication or distribution of information or other material.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 2
Effective Date of Endorsement: June 25, 2012

EMPLOYEE BENEFITS LIABILITY COVERAGE - COVERAGE D.

THIS ENDORSEMENT PROVIDES CLAIMS MADE COVERAGE

This endorsement modifies insurance provided under the following:

Specified Medical Professions General Liability Coverage Part

In consideration of the premium paid, it is hereby understood and agreed that the policy is amended as follows:

1. Item 7. of the Declarations, Retroactive Date, is amended by the addition of the following:
For Employee Benefits Liability Coverage: August 19, 2011
2. Item 5.A. of the Declarations, Limits of Liability, is amended by the addition of the following:
 5. For Coverage D. (Employee Benefits Liability):
 - (i) Each Claim: \$1,000,000
 - (ii) Aggregate: \$1,000,000
3. Item 6.A. of the Declarations, Deductible, is amended by the addition of the following:
 3. For Coverage D. (Employee Benefits Liability):
 - Each Claim: \$1,000
4. Item 10. of the Declarations, Premium for Extended Reporting Period, the words "For Professional Liability" are amended to read "For Professional Liability and Employee Benefits Liability."
5. Section The Insured is amended by the addition of the following:
As respects Employee Benefits Liability Coverage only:
the Named Insured and any principal, partner, officer, director or Employee of the Named Insured; provided that such Employee is authorized to act in the Administration of the Named Insured's Employee Benefits Program.
6. Section Insuring Agreements is amended by the addition of the following:
 - D. **Coverage D. - Employee Benefits Liability:** The Company shall pay on behalf of the Insured all sums in excess of the Deductible amounts stated in Item 6.A.3. of the Declarations, which the Insured shall become legally obligated to pay as Damages as a result of Claims first made against the Insured during the Policy Period or during the Extended Reporting Period, if exercised, and reported to the Company pursuant to



EVANSTON INSURANCE COMPANY

Endorsement

Section Claim Reporting Provision, by Employees or their legal representatives, which arise out of any act, error or omission in the Administration of the Named Insured's Employee Benefits Program provided:

1. the act, error or omission happens during the Policy Period or on or after the applicable Retroactive Date stated in Item 7. of the Declarations and before the end of the Policy Period; and
 2. prior to the effective date of this endorsement the Insured had no knowledge of such act, error or omission or any fact, circumstance, situation or incident which may lead a reasonable person in the Insured's position to conclude that a Claim was likely.
7. Solely for purposes of this endorsement, the following definitions shall apply:

Administration means conduct of the Insured, or of any person for whose acts, errors or omissions the Insured is legally responsible, with respect to:

- (a) providing information to Employees, or their dependents and beneficiaries, regarding the Named Insured's Employee Benefit Program;
- (b) handling of records in connection with the Named Insured's Employee Benefits Program; or
- (c) effecting enrollment, termination or cancellation of Employees, or their dependents and beneficiaries, in the Named Insured's Employee Benefits Program;

Provided, however, Administration does not include handling payroll deductions.

Employees means Employees or former Employees.

Employee Benefits Program means any program providing some or all of the following benefits to Employees of the Named Insured:

1. group life, accident or health insurance, dental, vision and hearing plans; and flexible spending accounts provided that only Employees may subscribe to such benefits and that such benefits are generally made available solely to those Employees who fulfill the plan's eligibility requirements;
 2. profit sharing plans, employee stock subscription plans, employee stock ownership plans, employee savings plans and pension plans; provided that only Employees may subscribe to such benefits and that such benefits are generally made available solely to those Employees who fulfill the plan's eligibility requirements;
 3. unemployment insurance, social security benefits, workers' compensation or disability benefits; and
 4. vacation plans and leave of absence programs.
8. Section Definitions, Claim, is deleted for purposes of this endorsement only and replaced solely with respect to Coverage D. Employee Benefits Liability:

Claim means a demand received by the Insured for compensation for Damages, including service of suit or institution of arbitration proceedings against the Insured.



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9. Section The Exclusions is amended by the addition of the following:
 - E. With respect to Coverage D. Employee Benefits Liability only, this Coverage Part does not apply to:
 1. any Claim based upon or arising out of any dishonest, fraudulent, criminal, or malicious or knowingly wrongful acts, errors or omissions;
 2. any Claim based upon or arising out of Bodily Injury, Property Damage, Personal Injury or Advertising Injury;
 3. any Claim based upon or arising out of unlawful discrimination;
 4. any Claim based upon or arising out of wrongful termination or other employment related practices;
 5. any Claim based upon or arising out of the Insured's failure to comply with workers' compensation, unemployment compensation, social security or disability benefits laws or any similar law;
 6. any Claim based upon or arising out of the Insured's activities as a fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto or any similar federal, state or local law;
 7. any Claim based upon or arising out of the investment or non-investment of any Employee Benefits Program funds;
 8. any Claim based upon or arising out of failure of any investment or security to perform;
 9. any Claim for failure of performance of contract by any insurer;
 10. any Claim based upon or arising out of insufficient funds to meet any obligations under any Employee Benefits Program;
 11. any Claim based upon or arising out of the failure or inability of any entity to make any payments or provide any benefits due under any Employee Benefits Program;
 12. any Claim for benefits under any Employee Benefits Program to the extent that such benefits, with reasonable effort and cooperation of the Insured, are available from the applicable benefit funds or other available and collectible insurance;
 13. any Claim based upon or arising out of advice given or which should have been given to any Employees to participate or not to participate in any Employee Benefits Program;
 14. criminal or civil fines, taxes, or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.
 15. any Claim based upon or arising out of the selection, design, planning, development, creation, formation, or structure of any Employee Benefits Program; or
 16. any Claim based upon or arising out of any change in availability, eligibility or cost of any Employee Benefits Program.



EVANSTON INSURANCE COMPANY

Endorsement

10. Solely for purposes of this endorsement, Section Limits of Liability is amended by the addition of the following:

H. Coverage D. - Employee Benefits Liability

1. **Limit of Liability - Each Claim:** The total liability of the Company for the combined total of Damages and Claim Expenses for all Claims first made against the Insured during the Policy Period or the Extended Reporting Period, if exercised, for each Claim insured herein shall not exceed the Limits of Liability stated in Item 5.A.5.(i) of the Declarations applicable to Each Claim.
2. **Limit of Liability - Coverage Aggregate:** Subject to the above Limits of Liability H.1., the total liability of the Company shall not exceed the Coverage Aggregate Limit of Liability as stated in Item 5.A.5.(ii) of the Declarations for all Damages and Claim Expenses under Coverage D.

11. Solely for purposes of this endorsement, the first paragraph of Section Limits of Liability F. is deleted and replaced with the following:

F. Deductible: The Deductible amount stated in Item 6.A.3. of the Declarations shall be paid by the Named Insured and shall be applicable to each Claim and shall include Damages and Claim Expenses, whether or not Damages are paid.

12. Solely with respect to this endorsement, Section Limits of Liability G., Multiple Insureds, Claims, Occurrences, Offenses and Claimants, is amended by the addition of the following:

More than one Claim arising out of a single act, error or omission or a series of related acts, errors or omissions shall be considered a single Claim. All such Claims, whenever made, shall be treated as a single Claim. Such single Claim, whenever made, shall be considered first made on the date on which the earliest Claim arising out of such act, error or omission is made or with regard to notice given to and accepted by the Company pursuant to Discovery Clause, on the date within the Policy Period on which such notice of potential Claim is first received by the Company.

13. Solely with respect to this endorsement, Section Defense, Settlements and Claim Expenses is amended by the addition of the following:

The Company shall have the right to defend and investigate any Claim to which this endorsement applies. The Company may make such investigation and settlement of any Claim as it deems expedient. Claim Expenses incurred in defending and investigating a Claim shall be a part of and shall not be in addition to the applicable Limits of Liability stated in Item 5. A. of the Declarations. Such Claim Expenses shall reduce the Limits of Liability and shall be applied against the Deductible. The Company shall have no obligation to pay any Damages or to defend or to continue to defend any Claim or to pay Claim Expenses for Claims after the applicable Limits of Liability stated in Item 5.A. of the Declarations have been exhausted.

14. Solely for purposes of the coverage provided by this endorsement, Section Claim Reporting Provision is amended by the addition of the following:



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Endorsement

The Insured shall give to the Company written notice as stated in Item 13. of the Declarations as soon as practicable of any Claim first made against the Insured during the Policy Period or the Extended Reporting Period, if exercised.

15. Solely for purposes of the coverage provided by this endorsement, the following is added:

Discovery Clause: If during the Policy Period, the Insured first becomes aware of a specific act, error or omission which may result in a Claim within the scope of the coverage provided for in this endorsement, then the Insured may provide written notice as stated in Item 13. of the Declarations to the Company containing the information listed below. If such written notice is received by the Company during the Policy Period, then any Claim subsequently made against the Insured arising out of such act, error or omission shall be deemed for the purpose of this insurance to have been first made on the date on which such written notice is first received by the Company.

It is a condition precedent to the coverage afforded by this Discovery Clause that written notice be given to the Company containing the following information:

1. the description of the specific act, error or omission;
 2. the date on which such act, error or omission took place;
 3. the injury or damage which has or may result from such act, error or omission;
 4. the identity of any injured persons; and
 5. the circumstances by which the Insured first became aware of such act, error or omission.
16. Solely for purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or if this endorsement is attached to a claims made General Liability Coverage Part, replaces any similar Section in that Coverage Part:

EXTENDED REPORTING PERIOD

- A. The Named Insured's right to exercise the Extended Reporting Period under this endorsement shall exist solely if the Named Insured also exercises its right to purchase the Extended Reporting Period under all Insuring Agreements in the policy for which an Extended Reporting Period is available.

Nothing contained herein shall afford the Named Insured the right to exercise an Extended Reporting Period in any Insuring Agreement in the policy providing coverage on an occurrence basis.

- B. If the Named Insured nonrenews this policy in its entirety or cancels this policy in its entirety pursuant to Common Policy Conditions, Section Other Conditions A., Cancellation, or if the Company nonrenews this policy or cancels this policy pursuant to Common Policy Conditions, Section Other Conditions A., Cancellation, for reasons other than nonpayment of premium or Deductible or non-compliance with the terms and conditions of this policy, then the Named Insured shall have the right to exercise the Extended Reporting Period under this endorsement subject to Extending Reporting Period A. above, as regards all Insuring Agreements included under this policy, other than any Insuring Agreements affording coverage on an occurrence basis, upon



EVANSTON INSURANCE COMPANY

Endorsement

payment of an additional premium calculated at the percentage stated in Item 10. of the Declarations of the annual deposit premium for the policy, subject to adjustment as per Common Policy Conditions, Section Other Conditions G., Premium and Audit, but in no event less than the percentage set forth in Item 10. of the Declarations of the annual minimum premium for the policy to extend the coverage granted under this endorsement to Claims first made against the Insured during the period of months stated in Item 10. of the Declarations as elected by the Named Insured, and reported to the Company pursuant to, Section Claims A., Claim Reporting Provision, following immediately upon the effective Date of such cancellation or nonrenewal, for any act, error or omission negligently committed in the Administration of the Insured's Employee Benefit Program rendered on or after the Retroactive Date and prior to the effective date of such cancellation or nonrenewal and which is otherwise covered by this endorsement. This period of months as elected by the Named Insured and described in this paragraph shall be referred to in this endorsement as the Extended Reporting Period.

- C. As a condition precedent to the right to purchase the Extended Reporting Period, the Named Insured must have paid: (1) all deductibles when due; (2) all premiums due for the Policy Period; and (3) all premiums due on any other policy(ies) issued by the Company or any of its affiliated companies in an uninterrupted series of policies of which this policy is a renewal or replacement must have been paid.

The right to purchase the Extended Reporting Period shall terminate unless a written notice as stated in Item 13. of the Declarations of such election for the Extended Reporting Period is received by the Company within thirty (30) days after the effective date of cancellation or nonrenewal together with payment of the additional deposit premium for the Extended Reporting Period. If such written notice of election and payment of additional premium are not so received by the Company, there shall be no right to purchase the Extended Reporting Period at a later date.

- D. The Named Insured shall pay any additional premium that may be due as a result of audit, promptly when due.
- E. In the event of the purchase of the Extended Reporting Period the entire premium therefrom shall be fully earned at its commencement.
- F. The Extended Reporting Period shall not in any way increase the Limits of Liability stated in Item 5A. of the Declarations.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 3
Effective Date of Endorsement: June 25, 2012

CLAIM EXPENSES IN ADDITION TO THE EACH CLAIM LIMIT OF LIABILITY

This endorsement modifies insurance provided under the following:

Specified Medical Professions General Liability Insurance Coverage Part

In consideration of the premium paid, it is hereby understood and agreed that the policy is amended as follows:

1. Section Limits of Liability A., B. and C. are deleted and replaced with the following:
 - A. **Coverage A. - Limit of Liability-Each Occurrence:** The total liability of the Company for Damages for all Claims because of all Bodily Injury or Property Damage sustained by one or more persons or entities as the result of any one Occurrence shall not exceed the Limit of Liability stated in Item 5.A.1.(i) of the Declarations as applicable to Each Occurrence.
 - B. **Coverage A. - Limit of Liability-Damage to Premises:** The total liability of the Company for Damages for all Claims, including those subject to the above provision regarding the Coverage A - Limit of Liability – Each Occurrence, because of Property Damage to any one premises while rented by the Named Insured or in the case of damage by fire, while rented by the Named Insured or temporarily occupied by the Named Insured with the permission of the owner of the premises, shall not exceed the Limit of Liability stated in Item 5.A.1.(ii) of the Declarations as applicable to Damage to Premises – Any One Premises.
 - C. **Coverage B. - Limit of Liability-Each Person or Organization:** The total liability of the Company for Damages for all Claims under Coverage B. because of all Personal Injury and all Advertising Injury sustained by any one person or organization shall not exceed the Limit of Liability stated in Item 5.A.2. of the Declarations as applicable to Each Person or Organization.



EVANSTON INSURANCE COMPANY

Endorsement

2. Section Defense, Settlements and Claim Expenses is deleted and replaced with the following:

The Company shall have the right and duty to defend and investigate any Claim to which Coverage A. and/or B. under this Coverage Part applies. The Company may make such investigation and settlement of any Claim as it deems expedient. Claim Expenses incurred in defending and investigating a Claim shall be in addition to the applicable Limits of Liability stated in Item 5.A. of the Declarations. Such Claim Expenses shall not reduce the Limits of Liability and shall be applied against the Deductible. The Company shall have no obligation to pay any Damages or to defend or to continue to defend any Claim or to pay Claim Expenses for Claims after the applicable Limit or Limits of Liability stated in Item 5.A. of the Declarations have been exhausted.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 4
Effective Date of Endorsement: June 25, 2012

CLAIM EXPENSES IN ADDITION TO THE EACH CLAIM LIMIT OF LIABILITY

This endorsement modifies insurance provided under the following:

Specified Medical Professions Professional Liability Coverage Part – Claims Made Coverage

In consideration of the premium paid, it is hereby understood and agreed that the policy is amended as follows:

1. Section Limits of Liability A. is deleted and replaced with the following:
 - A. **Limit of Liability-Each Claim:** The total liability of the Company for Damages for each Claim first made during the Policy Period or the Extended Reporting Period, if exercised, shall not exceed the Limit of Liability stated in Item 5.B. of the Declarations as applicable to Each Claim.
2. Section Defense, Settlements and Claim Expenses is deleted and replaced with the following:

DEFENSE, SETTLEMENTS AND CLAIM EXPENSES

The Company shall have the right and duty to defend and investigate any Claim to which coverage under this Coverage Part applies. Subject to Section Limits of Liability C., the Company may make such investigation and settlement of any Claim as it deems expedient.

Claim Expenses incurred in defending and investigating a Claim shall be in addition to the applicable Limits of Liability stated in Item 5.B. of the Declarations. Such Claim Expenses shall not reduce the Limits of Liability and shall be applied against the Deductible. The Company shall have no obligation to pay any Damages or to defend or to continue to defend any Claim or to pay Claim Expenses for Claims after the applicable Limit or Limits of Liability stated in Item 5.B. of the Declarations have been exhausted.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) – CIVIL MONETARY PENALTY ENDORSEMENT

This endorsement modifies insurance provided under the following:

SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY COVERAGE PART — CLAIMS MADE COVERAGE
SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY INSURANCE COVERAGE PART — CLAIMS MADE
COVERAGE

In consideration of the premium paid, it is hereby understood and agreed that the policy is amended as follows:

1. The policy is amended by the addition of the following:

SUPPLEMENTARY PAYMENTS

A. HIPAA Civil Monetary Penalty Coverage: The Company shall pay on behalf of the Insured all sums in excess of the Deductible amount stated in the Declarations, which the Insured shall become legally obligated to pay as a Civil Monetary Penalty as a result of a HIPAA Civil Violation first made against the Insured during the Policy Period or during the Extended Reporting Period, if exercised, arising out of any HIPAA Civil Violation committed or alleged to have been committed by the Insured or by any person for whose actions the Insured is legally responsible provided:

1. such HIPAA Civil Violation:
 - a. arises out of the conduct of the Insured's Professional Services; and
 - b. is committed or alleged to have been committed during the Policy Period or on or after the Retroactive Date as stated in the Declarations; and
2. prior to the effective date of this policy the Insured had no knowledge of such HIPAA Civil Violation or any fact, circumstance, situation or incident which may result in a HIPAA Civil Violation.

Limits of Liability - HIPAA Civil Monetary Penalty: The total liability of the Company for the combined total of Civil Monetary Penalties and Legal Expenses for each HIPAA Civil Violation first made during the Policy Period or the Extended Reporting Period, if exercised, shall not exceed the Limit of Liability stated below as applicable to Each HIPAA Civil Violation. Subject to the foregoing, the total liability of the Company for the combined total of Civil Monetary Penalties and Legal Expenses for all HIPAA Civil Violations first made during the Policy Period or the Extended Reporting Period, if exercised, shall not exceed the Limit of Liability stated below as applicable to All HIPAA Civil Violations.

1. \$250,000 Each HIPAA Civil Violation
2. \$250,000 All HIPAA Civil Violations

The Insured shall give the Company written notice as stated in the Declarations within ten (10) days of the Insured receiving a notice of HIPAA Civil Violation and in any event such written notice shall be provided prior to the Insured incurring any legal fees or legal expenses related to such matter.

The Company shall have the right and duty to defend and investigate any HIPAA Civil Violation to which coverage under this Coverage Part applies. The Company may make such investigation and settlement of any HIPAA Civil Violation as it deems expedient. Legal Expenses incurred in defending and investigating a HIPAA Civil Violation shall be a part of and shall not be in addition to the Limits of Liability stated in Section Supplementary Payments, HIPAA Civil Monetary Penalty Coverage. Such Legal Expenses shall reduce the Limits of Liability stated in Section Supplementary Payments, HIPAA Civil Monetary Penalty Coverage and shall be applied against the Deductible. The Company shall have no obligation to pay any Civil Monetary Penalty or to defend or to continue to defend any HIPAA Civil Violation or to pay Legal Expenses for HIPAA Civil Violations after the Limits of Liability stated in Section Supplementary Payments, HIPAA Civil Monetary Penalty Coverage have been exhausted.

Payments pursuant to this Section shall be in addition to the Limits of Liability stated in the Declarations.

2. Section Definitions is amended by the addition of the following:

Civil Monetary Penalty means a civil monetary penalty imposed by the Secretary of the United States Department of Health and Human Services, or his or her designee, under 42 U.S.C. §1320d-5 and 45 C.F.R. §160.404.

Health Insurance Portability and Accountability Act (“HIPAA”) means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.

HIPAA Civil Violation means a notice received by the Insured for failure to comply with the HIPAA Standards for Privacy of Individually Identified Health Information (Privacy Rule) which protects the privacy of individual health information, including maintaining the confidentiality of information regarding medical services and limiting the release or use of such information in conformance with state or federal law, including any allegation that the Insured was negligent in hiring, training or supervising any Insured person who failed or is alleged to have failed to comply with the Privacy Rule.

Legal Expenses means reasonable and necessary amounts incurred by the Company or by the Insured with the prior written consent of the Company in the defense of that portion of any HIPAA Civil Violation for which coverage is afforded under this Coverage Part, including costs of investigation and costs of appeals; provided, however, Legal Expenses shall not include: (1) salary, wages, overhead, or benefit expenses of or associated with Employees or officials of the Named Insured or employees or officials of the Company; or (2) salary, wages, administration, overhead, benefit expenses, or charges of any kind attributable to any in-house counsel or captive out-of-house counsel for the Named Insured or the Company.

3. Section The Exclusions is amended by the addition of the following exclusions:

With respect to Supplementary Payments, HIPAA Civil Monetary Penalty Coverage, such coverage does not apply to any HIPAA Civil Violation:

1. based upon, arising out of, or in any way involving:
 - a. any HIPAA Civil Violation or any claim, fact, circumstance, situation or incident which has or may result in a HIPAA Civil Violation that has been the subject of any notice given prior to the Policy Period under any other policy of insurance; or
 - b. any HIPAA Civil Violation, whenever occurring, which is logically or causally connected to another HIPAA Civil Violation by reason of any common fact, circumstance, situation, event or transaction that has been the subject of any notice given prior to the Policy Period under any other policy of insurance; or
2. based upon, arising out of, or in any way involving any litigation, demand, investigation, administrative or regulatory proceeding or other proceeding pending, or order, decree or judgment entered, against any Insured on or prior to the inception date of this policy, or the same or any substantially similar HIPAA Civil Violation or any fact, circumstance, situation or incident underlying or alleged therein.

4. Section Limits of Liability is amended by the addition of the following:

Multiple Insureds, HIPAA Civil Violations and Protected Health Information Records Released: The inclusion herein of more than one Insured in any HIPAA Civil Violation shall not operate to increase the Limits of Liability stated in Section Supplementary Payments, HIPAA Civil Monetary Penalty Coverage. More than one HIPAA Civil Violation arising out of a single release of protected health information or a series of related releases of protected health information shall be considered a single HIPAA Civil Violation. All such HIPAA Civil Violations, whenever made, shall be treated as a single HIPAA Civil Violation. Such single HIPAA Civil Violation, whenever made, shall be deemed to be first made on the date on which the earliest HIPAA Civil Violation arising out of such release of protected health information is made.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 6
Effective Date of Endorsement: June 25, 2012

SEXUAL ACTS LIABILITY ENDORSEMENT

(use with policy form SM-20001)

This endorsement modifies insurance provided under the following:

Specified Medical Professions Professional Liability Insurance Coverage Part
Specified Medical Professions General Liability Insurance Coverage Part

In consideration of the premium paid, it is hereby understood and agreed that the Specified Medical Professions Professional Liability Insurance Coverage Part is amended as follows:

1. Section Insuring Agreement is amended by the addition of the following:

Sexual Acts Liability: The Company shall pay on behalf of the Insured all sums in excess of the Deductible amount stated in Item 6.B. of the Declarations, which the Insured shall become legally obligated to pay as Damages as a result of Claims first made against the Insured during the Policy Period or during the Extended Reporting Period, if exercised, for Sexual Injury arising out of any Sexual Act perpetrated or alleged to have been perpetrated by the Insured or by any person for whose actions the Insured is legally responsible, or for allegations that the Insured was negligent in hiring, training or supervising any Insured person who perpetrated or is alleged to have perpetrated a Sexual Act resulting in Sexual Injury provided:

- A. such Sexual Act arises out of the conduct of the Insured's Professional Services;
- B. such Sexual Act is perpetrated or alleged to have been perpetrated during the Policy Period or on or after the Retroactive Date as stated in Item 7. of the Declarations and before the end of the Policy Period; and
- C. prior to the effective date of this policy the Insured had no knowledge of such Sexual Act or any fact, circumstance, situation or incident involving such Sexual Act which may result in a Claim under this policy.

2. Section Definitions is amended by the addition of the following:

Sexual Act means sexual abuse, sexual molestation or sexual exploitation arising out of the conduct of the Insured's Professional Services.

Sexual Injury means bodily injury, sickness, disease, unlawful detention, false imprisonment, humiliation, emotional distress, mental anguish, sexual dysfunction, invasion of right of privacy, assault or battery, solely when arising out of a Sexual Act.



EVANSTON INSURANCE COMPANY

Endorsement

3. Section The Exclusions I. is deleted.
4. Section The Exclusions is amended by the addition of the following exclusions:
 - T. to any Insured who perpetrates or is alleged to have perpetrated a Sexual Act resulting in Sexual Injury; provided, however, the Company shall defend such Insured and pay Claim Expenses on their behalf unless it is established in fact that such Insured perpetrated such Sexual Act;
 - U. to any manager, supervisor, officer, director, trustee or partner who gains knowledge of any actual or alleged Sexual Act and fails to take reasonable care to prevent a future Sexual Act;
 - V. to any Claim based upon or arising out of any Sexual Act which is perpetrated or alleged to have been perpetrated by an Insured who previously perpetrated or is alleged to have previously perpetrated a Sexual Act, and after a manager, supervisor, officer, director, trustee or partner has gained knowledge of the previously perpetrated or previously alleged to have been perpetrated Sexual Act; or
 - W. to any Claim based upon or arising out of Sexual Injury to any employee of the Insured.
5. Section Limits of Liability is amended by the addition of the following:
 - F. **Limit of Liability - Sexual Acts Liability Coverage:** The total liability of the Company for the combined total of Damages and Claim Expenses for all Claims insured herein because of Sexual Injury or allegations that the Insured was negligent in hiring, training or supervising any Insured person who perpetrated or is alleged to have perpetrated a Sexual Act resulting in Sexual Injury is limited to:
 1. \$1,000,000 All Claims Made by Each Claimant
 2. \$1,000,000 All Claims under Sexual Acts Liability Coverage

Multiple Sexual Acts: Two or more Sexual Acts against one person shall be deemed to be one Sexual Act and shall be subject to the coverage and limits in effect at the time of the first Sexual Act.



EVANSTON INSURANCE COMPANY

Endorsement

6. Section Limits of Liability B. is amended by the addition of the following:

Subject to Section Limits of Liability F., Limits of Liability - Sexual Acts Liability Coverage, the total liability of the Company for all Damages and Claim Expenses for all Claims insured herein because of Sexual Injury or allegations that the Insured was negligent in hiring, training or supervising any Insured person who perpetrated or is alleged to have perpetrated a Sexual Act resulting in Sexual Injury shall be part of and not in addition to the amount stated in Item 5.B. of the Declarations, Policy Aggregate Limit of Liability, arising out of all Claims first made against the Insured during the Policy Period and the Extend Reporting Period, if exercised.

It is further understood and agreed that the Specified Medical Professions General Liability Insurance Coverage Part is amended as follows:

1. Section Definitions is amended by the addition of the following:

Sexual Act means sexual abuse, sexual molestation or sexual exploitation arising out of the conduct of the Insured's Professional Services.

Sexual Injury means bodily injury, sickness, disease, unlawful detention, false imprisonment, humiliation, emotional distress, mental anguish, sexual dysfunction, invasion of right of privacy, assault or battery, solely when arising out of a Sexual Act.

2. Section The Exclusions A. under the under the Specified Medical Professions General Liability Insurance Coverage Part is amended by the addition of the following exclusions:

- (i) any Claim based upon or arising out of any Sexual Injury; or
- (ii) to any Claim based upon or arising out of any allegations that the Insured was negligent in hiring, training or supervising any person who perpetrated or is alleged to have perpetrated a Sexual Act resulting in Sexual Injury.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 7
Effective Date of Endorsement: June 25, 2012

ADDITIONAL INSURED ENDORSEMENT FOR LANDLORDS, SPONSORS OR LESSORS

This endorsement modifies insurance provided under the following:

Specified Medical Professions General Liability Insurance Coverage Part

In consideration of the premium paid, it is hereby understood and agreed that the policy is amended as follows:

1. Section The Insured is amended by the addition of the following:

Whenever used in this policy, the unqualified word Insured shall also mean Additional Insured.
2. **Additional Insured**, whenever used in this endorsement, shall mean the following:

any landlord, owner, or property manager of the Designated Premises; or any tradeshow or convention sponsor or operator; or any lessor of equipment.
3. **Designated Premises**, whenever used in this endorsement, shall mean the following:

all premises leased or rented to the Named Insured, premises temporarily occupied by the Named Insured for a tradeshow or convention and/or equipment leased to the Named Insured.
4. Coverage provided to any Additional Insured as defined herein shall apply solely:
 - (a) for Claims arising out of the Named Insured's occupancy of, or failure to maintain, the Designated Premises, but solely with respect the products, goods or operations of the Named Insured and only if liability for such Claim is determined to be solely the negligence or responsibility of the Named Insured; and
 - (b) for Occurrences at, on or upon that portion of the Designated Premises which is occupied by the Named Insured and taking place during the term of the Named Insured's lease/occupancy of such Designated Premises.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 8
Effective Date of Endorsement: June 25, 2012

ADDITIONAL INSURED ENDORSEMENT – GENERAL LIABILITY

This endorsement modifies insurance provided under the following:

Specified Medical Professions General Liability Insurance Coverage Part

In consideration of the premium paid, it is hereby understood and agreed that the policy is amended as follows:

1. Section The Insured is amended by the addition of the following:

Whenever used in this Coverage Part, the unqualified word Insured shall also mean Additional Insured.

2. **Additional Insured** means, whenever used in this endorsement, the following:

Narconon International

A.B.L.E. Association for Better Living & Education

3. Coverage provided to any Additional Insured as defined herein shall apply solely to an Occurrence or offense involving the products, goods, operations or premises covered by this Coverage Part.
4. No coverage shall be afforded to the above Additional Insured for Bodily Injury, Property Damage, Personal Injury or Advertising Injury to any Employee or to any obligation of the Additional Insured to indemnify another because Damages arising out of such injury.
5. Where no coverage shall apply herein for the Named Insured, no coverage or defense shall be afforded to the above Additional Insured.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 9
Effective Date of Endorsement: June 25, 2012

ADDITIONAL INSURED ENDORSEMENT – PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

Specified Medical Professions Professional Liability Insurance Coverage Part

In consideration of the premium paid, it is hereby understood and agreed that the policy is amended as follows:

1. Section The Insured is amended by the addition of the following:

Whenever used in this Coverage Part, the unqualified word Insured shall also mean Additional Insured.

2. **Additional Insured** means, whenever used in this endorsement, the following:

Narconon International

A.B.L.E. Association for Better Living & Education

to whom the Named Insured is obligated by valid written contract to provide coverage as an additional insured to such person or organization but only as respects liability in rendering Professional Services caused by the negligence of the Named Insured and only for coverage not otherwise excluded in the policy.

3. Coverage provided to any Additional Insured as defined herein shall apply solely with respect to any Claim or Claim Expenses arising from Professional Services rendered by the Named Insured specified in Item 1. of the Declarations.
4. Where no coverage shall apply herein for the Named Insured, no coverage or defense shall be afforded to the above Additional Insured.
5. Section Defense, Settlements and Claim Expenses is amended by the addition of the following:

The Company's obligation to provide defense shall not be severable with respect to the Named Insured and the Additional Insured.



EVANSTON INSURANCE COMPANY

Endorsement

6. The Additional Insured and the Named Insured shall be represented by the same lawyer unless such mutual representation is prohibited by law or by any applicable professional code of conduct.
7. This insurance shall be excess and non-contributory insurance over any other insurance afforded to the Additional Insured.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

DATABREACHSM COVERAGE PARTS ENDORSEMENT

This endorsement adds to the insurance provided under the following:

SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY INSURANCE COVERAGE PART
SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY COVERAGE PART
SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY INSURANCE POLICY

In consideration of the premium paid, it is understood and agreed that the coverages afforded by this Endorsement are subject to the terms, conditions and limitations of this policy, except to the extent that such terms, conditions and limitations are modified herein. Solely with respect to the coverages afforded by this Endorsement, the policy is amended as follows:

Claims Made and Reported Coverage: With regard to DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part, the coverage afforded by this Endorsement is limited to liability for only those Claims that are first made against the Insured during the Policy Period or the Extended Reporting Period, if exercised, and reported to the Company during the Policy Period or the Extended Reporting Period, if exercised, or within sixty (60) days after the expiration of the Policy Period or the Extended Reporting Period, if exercised.

Notice: DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part, of this Endorsement contains provisions that reduce the limits of liability stated in the Endorsement by the costs of legal defense.

The limits of liability applicable to the coverage parts provided under this Endorsement are in addition to, and do not erode the limits of liability provided under the Professional Liability coverage afforded in the policy to which this endorsement attaches.

Please read this Endorsement carefully.

1. Section The Insured is deleted and replaced with the following:

THE INSURED

The unqualified word "Insured" wherever used in this endorsement either in the singular or plural, means:

- A. the Named Insured herein defined as the person(s) or organization(s) stated in Item 1. of the Declarations.

2. Section Insuring Agreements is amended by the addition of the following:

DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part – Claims Made and Reported Coverage:

The Company shall pay on behalf of the Insured, all sums which the Insured shall become legally obligated to pay as Damages and Regulatory Fines both of which are a result of a Claim first made against the Insured during the Policy Period or the Extended Reporting Period, if exercised, and reported to the Company during the Policy Period or the Extended Reporting Period, if exercised, or within sixty (60) days after the expiration of the Policy Period or Extended Reporting Period, if exercised, by reason of an Unauthorized Access or a Potential Unauthorized Access, provided:

1. the entirety of the Unauthorized Access or the discovery of the Potential Unauthorized Access happens during the Policy Period or on or after June 25, 2012 and before the end of the Policy Period; and
2. prior to the effective date of this policy the Named Insured or any past or current principal, partner, officer, director, trustee, shareholder or employee of the Named Insured had no knowledge of such Unauthorized

Access, Potential Unauthorized Access or any computer security incident, intrusion, breach, compromise, theft, loss or use of the Named Insured's Electronic Communications System which may have led a reasonable person in such party's position to conclude that a Claim was likely.

DataBreachSM COVERAGE B. - Data Breach Loss to Insured Coverage Part – Occurrence Coverage:

The Company shall indemnify the Named Insured for the amount of Loss which results directly from an Unauthorized Access which occurs during the Policy Period and is reported to the Company pursuant to Section Claims, Loss and Expenses B., provided:

1. prior to the effective date of this policy the Named Insured or any past or current principal, partner, officer, director, trustee, shareholder or employee of the Named Insured had no knowledge that such Unauthorized Access had occurred in whole or in part, and if such party knew prior to the Policy Period that the Unauthorized Access had occurred, then any continuation, change or resumption of such Unauthorized Access during or after the Policy Period will be deemed to have been known prior to the Policy Period;
2. Unauthorized Access, which occurs during the Policy Period and was not, prior to the Policy Period known to have occurred by the Named Insured or any past or current principal, partner, officer, director, trustee, shareholder or employee of the Named Insured, includes any continuation, change or resumption of that Unauthorized Access after the end of the Policy Period; and
3. Unauthorized Access will be deemed to have been known to have occurred at the earliest of the Named Insured or any past or current principal, partner, officer, director, trustee, shareholder or employee of the Named Insured:
 - (a) reporting all, or any part, of the Unauthorized Access to the Company, any other insurer or any insurance representative;
 - (b) incurring Loss or Breach Mitigation Expense because of the Unauthorized Access; or
 - (c) becoming aware by any other means that Unauthorized Access has occurred or has begun to occur.

DataBreachSM COVERAGE C. - Breach Mitigation Expense Coverage Part – Occurrence Coverage: The Company shall, subject to the prior written consent of the Company, reimburse the Named Insured for the reasonable cost actually incurred by the Named Insured for Breach Mitigation Expense which results directly from an Unintentional Data Compromise which occurs during the Policy Period and is reported to the Company pursuant to Section Claims, Loss and Expenses C., provided:

1. the entirety of the Unintentional Data Compromise occurs during the Policy Period; and
2. prior to the effective date of this policy the Named Insured or any past or current principal, partner, officer, director, trustee, shareholder or employee of the Named Insured had no knowledge such Unintentional Data Compromise of:
 - (a) the Named Insured's Electronic Communications System; or
 - (b) the Electronic Communications System of a third party responsible for storing and securing the data of the Named Insured;

had occurred in whole or in part, which may have led a reasonable person in such party's position to conclude that incurring such expenses was likely, and if any such party knew prior to the Policy Period that such Unintentional Data Compromise had occurred, then any continuation, change or resumption of such Unintentional Data Compromise during or after the Policy Period will be deemed to have been known prior to the Policy Period; and
3. Unintentional Data Compromise will be deemed to have been known to have occurred at the earliest of any Insured:
 - (a) reporting all, or any part, of an Unauthorized Access or Potential Unauthorized Access to the Company, any other insurer or any insurance representative;
 - (b) incurring Loss or Breach Mitigation Expense because of an Unauthorized Access or Potential Unauthorized Access; or
 - (c) becoming aware by any other means that an Unintentional Data Compromise has occurred or has begun to occur.

The Named Insured must submit to the Company satisfactory written proof of payment of such costs within one (1) year after the expiration or cancellation of this policy.

If such expenses as are reimbursable under this DataBreachSM COVERAGE C. - Breach Mitigation Expense Coverage Part become part of a judgment, award or settlement, such expenses shall not be subject to coverage under DataBreachSM COVERAGE C. - Breach Mitigation Expense Coverage Part.

3. Section Definitions is deleted and replaced with the following:

DEFINITIONS

A. **Authority** means any agency of:

1. a federal, state or local government of the United States of America, its territories or possessions or Puerto Rico;
2. a federal, provincial or local government of Canada;
3. the government of the European Union (EU) or any member nation; or
4. the PCI Security Standards Council;

any of which is charged with the administration or enforcement of laws or regulations relating to the use, transfer or storage of electronic communications or data storage systems.

B. **Bodily Injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these; provided, however, Bodily Injury does not include humiliation or the infliction of emotional distress arising solely from an Unauthorized Access or Potential Unauthorized Access.

C. **Breach Mitigation Expense** means expenses incurred by the Insured with the prior written consent of the Company for:

1. the services of a public relations professional, or other publicity expenses that are recommended by a public relations professional to respond to any actual adverse publicity in the media, that is the result of an Unauthorized Access or Potential Unauthorized Access;
2. expenses, including but not limited to patient notification and related legal fees, that are incurred to comply with a Security Breach Notice Law and that are the result of an Unauthorized Access or Potential Unauthorized Access; and
3. expenses associated with voluntarily providing credit monitoring services to patients and individuals effected by an Unauthorized Access or Potential Unauthorized Access.

D. **Claim** means the Insured's receipt of:

1. a written demand for damages;
2. the service of suit or institution of arbitration proceedings against the Insured; or
3. a written notice of the institution of a charge against the Insured by any Authority or of any administrative proceeding initiated by an Authority including any investigation, conciliation meeting or hearing;

all as a result of an Unauthorized Access or Potential Unauthorized Access.

E. **Claim Expenses** means reasonable and necessary amounts incurred by the Company, or by the Insured with the prior written consent of the Company, in the defense of that portion of any Claim for which coverage is afforded under this Endorsement, including costs of investigation, court costs, costs of bonds to release attachments and similar bonds, but without any obligation of the Company to apply for or furnish any such bonds, and costs of appeals; provided, however, that Claim Expenses shall not include: (1) salary, wages, overhead, or benefit expenses of or associated with Employees or officials of the Named Insured or employees or officials of the Company; or (2) salary, wages, administration, overhead, benefit expenses, or charges of any kind attributable to any in-house counsel or captive out-of-house counsel for the Named Insured or the Company.

F. **Damages** means the monetary portion of any judgment, award or settlement, including punitive damages where insurable; provided, however, Damages shall not include: (1) multiplied portions of damages in excess of actual

damages, including trebling of damages; (2) the cost of any modifications or changes to the Insured's security measures, procedures, software or hardware required or agreed to by the Insured to satisfy a judgment, award or settlement; (3) any cost required to repair, build or modify property to comply with any award by a court, administrative order, arbitration award or any similar judgment; (4) taxes, criminal or civil fines, or attorneys' fees of a party other than an Insured, other penalties imposed by law or Regulatory Fines; (5) sanctions; (6) matters which are uninsurable under the law pursuant to which this Endorsement shall be construed; or (7) the return, withdrawal, reduction, restitution or payment of any fees, profits or charges for services or consideration and/or any expenses paid to the Insured.

- G. Electronic Communications System** means any wired, wireless, radio, electromagnetic, photo-optical or photo-electronic facility for the transmission of electronic communications; any electronic data processing system, network or related electronic equipment for the storage of such communications; and any computer.
- H. Forensic Expense** means reasonable and necessary costs incurred by the Named Insured to engage the services of a third party computer security expert to determine the existence and cause of any Unauthorized Access.
- I. Interrelated Unauthorized Accesses** means Unauthorized Access(es) and/or Potential Unauthorized Access(es) which are logically or causally connected by reason of any common fact, incident, circumstance, situation, or any computer security incident, intrusion, breach, compromise, theft, loss or use of the Named Insured's Electronic Communications System.
- J. Loss** means:
1. reasonable and necessary costs incurred by the Named Insured to restore with due diligence and dispatch the Named Insured's Electronic Communications System to the condition that existed prior to an Unauthorized Access, including reconstruction of programs, electronic data and media which form a part of the Named Insured's Electronic Communications System; and
 2. Forensic Expense;
- provided, however, Loss shall not include: (a) any cost or charges associated with building, modifying or upgrading the Named Insured's Electronic Communications System, or any software, security measures or procedures; (b) any cost required to repair, build or modify tangible property to comply with any award or order by a court, an Authority, arbitration or any similar proceeding; (c) any loss of reputation of the Named Insured or loss of customer confidence in the Named Insured or the value imputed to such loss; (d) expenses incurred by the Insured in establishing the amount of any Loss covered under this Endorsement; or (e) loss of business income.
- K. Policy Period** means the period from the inception date of this policy to the policy expiration date stated in the Declarations, or the effective date of any earlier cancellation or termination.
- L. Potential Unauthorized Access** means the threat or potential threat of an Unauthorized Access arising from a theft or loss of any component of the Named Insured's Electronic Communications System.
- M. Pollutants** mean any solid, liquid, gaseous, fuel, lubricant, thermal, acoustic, electrical, or magnetic irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, fibers, radiation, acid, alkalis, petroleums, chemicals or waste. Waste includes medical waste and all other materials to be disposed of, recycled, stored, reconditioned or reclaimed.
- N. Private Data** means data containing an individual's:
1. drivers license or other state-issued identification number; social security number; unpublished telephone number; savings account, checking account, credit card or debit card number each when in combination with the security code, access code, password or pin for such account or card number;
 2. "nonpublic personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant thereto;
 3. "protected healthcare information" as defined in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and regulations issued pursuant thereto, and medical and healthcare information;
 4. private personal information as defined under a Security Breach Notice Law; and

5. private personal information as defined under the law of a country other than the United States, which law is intended to provide for the protection of such private personal information;

not including any lawfully available data accessible by the general public.

- O. Property Damage** means physical injury to tangible property, including all resulting loss of use of that property or loss of use of tangible property that is not physically injured; provided, however, damage to, corruption of or inability to access data, software and computer networks shall not be considered to be loss of use of tangible property.
- P. Regulatory Fines** means civil fines and penalties assessed against the Insured by an Authority as a result of a Claim subject to coverage under DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part of this Endorsement.
- Q. Security Breach Notice Law** means any law, statute or regulation within the United States of America, its territories or possessions, Puerto Rico or Canada requiring the Named Insured to notify individuals of the compromise or possible compromise of the security of their confidential information in the Named Insured's care, custody or control and the European Union (EU) Data Protection Act of 1995.
- R. Unauthorized Access** means a breach of the Named Insured's security measures, systems, procedures, or stated privacy policy, or any intentional violation, interception, or use or misuse of the Named Insured's Electronic Communications System, whether or not for profit or gain, by any person, without the permission, knowledge or ratification of the Insured. Unauthorized Access also includes:
1. access to the Named Insured's Electronic Communications System that is with the Insured's permission where such permission is the result of fraud or deception;
 2. use of the Named Insured's Electronic Communications System by a party authorized by the Insured to use such system, who does so for an unauthorized purpose;
 3. the introduction of programs into the Named Insured's Electronic Communications System which contain fraudulent or destructive instructions or code including any inadvertent transmission of such programs to a third party;
 4. a credible threat or an extortion demand received by the Named Insured threatening or portending loss, injury or damage to:
 - (a) the Named Insured's Electronic Communications System, including programs, electronic data and media which form a part of the Named Insured's Electronic Communications System; or
 - (b) money, securities, bonds or similar financial instruments, solely to the extent that record of such is maintained in digital or electronic format on the Named Insured's Electronic Communications System;
 for the purpose of extorting money or other valuable consideration from the Named Insured; and
 5. failure to prevent a denial of service attack on the Named Insured's Electronic Communications System or to prevent the use of the Named Insured's Electronic Communications System by an unauthorized user or code to launch a denial of service attack on a third party;
 6. solely with regard to:
 - (a) DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part; and
 - (b) DataBreachSM COVERAGE C. - Breach Mitigation Expense Coverage Part;
 the theft or loss of any paper records; and
 7. solely with regard to DataBreachSM COVERAGE C. - Breach Mitigation Expense Coverage Part:
 the failure of any third party to prevent the unauthorized viewing, copying or distribution of Private Data which the Named Insured has entrusted to such party under a written contract or agreement that specifically requires such party to protect the confidentiality of the Private Data so entrusted.

S. Unintentional Data Compromise means any computer security incident, intrusion, breach, compromise, theft, loss or misuse of the Private Data of the Named Insured's patient(s) and/or of any past or current principal, partner, officer, director, trustee, shareholder or employee of the Named Insured.

4. Section The Exclusions is deleted and replaced with the following:

THE EXCLUSIONS

A. With respect to all Coverage Parts provided by this Endorsement, this Endorsement does not apply to any Claim, Loss or Breach Mitigation Expense:

1. caused by access to the Named Insured's Electronic Communications System by any government, governmental agency or subagency, or any agents thereof while acting on behalf of such entity;
2. due to riot, civil commotion, war, insurrection or usurped power;
3. based upon or arising out of Bodily Injury or Property Damage;
4. based upon or arising out of liability of others assumed by the Insured under any contract or agreement; provided, however, this exclusion shall not apply to liability an Insured would have in the absence of such contract or agreement;
5. based upon, arising out of, or any way involving any actual or alleged violation of any law, whether statutory, regulatory or common law, respecting any of the following activities: antitrust, business competition, unfair trade practices or tortious interference in another's business or contractual relationships;
6. based upon, arising out of, or in any way involving conduct of the Insured or at the Insured's direction that is intentional, willful, dishonest, fraudulent or that constitutes a willful violation of any statute or regulation; provided, however, this exclusion shall not apply to: (a) the strictly vicarious liability of any Insured for the intentional, willful, dishonest or fraudulent conduct of another Insured or for the conduct of another Insured that constitutes a willful violation of any statute or regulation; or (b) Claim Expenses incurred until an allegation is adjudicated through a finding by a trier-of-fact to be intentional, willful, dishonest or fraudulent or a willful violation of any statute or regulation;
7. based upon, arising out of, or in any way involving any:
 - (a) actual, alleged or threatened discharge, disposal, migration, dispersal, release or escape of Pollutants; or
 - (b) direction, order or request to test for, monitor, remediate, clean up, remove, contain, treat, detoxify or neutralize Pollutants, or to pay for or contribute to the costs of undertaking such actions;
8. brought by or on behalf of any employee, former employee or prospective employee based upon, arising out of, or in any way involving the employment relationship or the nature, terms or conditions of employment or any workplace tort;
9. brought by, in the name of, or on behalf of any past or current principal, partner, officer, director, trustee, shareholder or employee of the Named Insured; provided, however, this exclusion shall not apply to any Claim arising out of Unauthorized Access or Potential Unauthorized Access to the personal information of any past or current principal, partner, officer, director, trustee, shareholder or employee of the Named Insured which is in the care, custody or control of the Named Insured;
10. based upon, arising out of, or in any way involving the insolvency, receivership, bankruptcy, liquidation of the Named Insured or of any subsidiary thereof whether or not included in the definition of Insured;
11. based upon or arising out of any warranties or guarantees, express, implied or otherwise, or any cost estimates;
12. based upon or arising out of any conversion, misappropriation, commingling of or defalcation of funds or property;
13. based upon or arising out of any inability or failure of any party to pay or collect monies;
14. based upon or arising out of infringement or inducement of infringement of patent or trade secret; or

15. based upon, arising out of, or in any way involving an act, error or omission in the performance of professional services rendered or that should have been rendered by the Insured or by any person or organization for whose acts, errors or omissions the Insured is legally responsible.
- B. With respect to DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part this Endorsement does not apply to any Claim:
1. made by any person or organization which is operated, managed or owned, in whole or in part, by the Named Insured or any parent organization, subsidiary, division or affiliated organization thereof.
- C. With respect to DataBreachSM COVERAGE B. - Data Breach Loss to Insured Coverage Part, this Endorsement does not apply to any Loss:
1. caused by theft, physical damage or destruction of the Named Insured's Electronic Communications System or any part thereof; provided, however, this exclusion shall not apply to destruction of programs, electronic data and media caused by an Unauthorized Access;
 2. based upon or arising out of theft, or alleged theft, of money, securities, bonds, or similar financial instruments with monetary value caused or contributed to by any fraudulent, dishonest or criminal act committed by any person who is a past or current principal, partner, officer, director, trustee, shareholder or employee of the Named Insured at the time of the Unauthorized Access, whether acting alone or in collusion with others; or
 3. of the value of trade secrets, confidential processing methods or other confidential or proprietary information.
5. Section Territory is deleted and replaced with the following:

TERRITORY

The insurance afforded by this Endorsement applies worldwide, provided the Claim is made or the Loss is incurred in the United States of America, its territories or possessions or Puerto Rico.

6. Section Limits of Liability is deleted and replaced with the following:

LIMITS OF LIABILITY

- A. **Limit of Liability - DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part - Each Claim:** The liability of the Company under DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part for the combined total of Damages, Regulatory Fines and Claim Expenses for each Claim first made against the Insured during the Policy Period or Extended Reporting Period, if exercised, and reported to the Company pursuant to Section Claims, Loss and Expenses A., Claim Reporting Provision, shall not exceed the \$50,000.
- B. **Limit of Liability - DataBreachSM COVERAGE B. - Data Breach Loss to Insured Coverage Part - Each Unauthorized Access:** The liability of the Company under DataBreachSM COVERAGE B. - Data Breach Loss to Insured Coverage Part for all Loss resulting directly from each Unauthorized Access which occurs during the Policy Period and is reported to the Company pursuant to Section Claims, Loss and Expenses B., Loss Reporting Provision, shall not exceed \$5,000.
- C. **Limit of Liability - DataBreachSM COVERAGE C. - Breach Mitigation Expense Coverage Part - Each Unintentional Data Compromise:** The liability of the Company under DataBreachSM COVERAGE C. - Breach Mitigation Expense Coverage Part for Breach Mitigation Expense for any Unintentional Data Compromise which occurs during the Policy Period and is reported to the Company pursuant to Section Claims, Loss and Expenses C., shall not exceed \$50,000.
- D. **Limit of Liability - Aggregate:** Subject to the above Limits of Liability A., B. and C., the combined total liability of the Company for all coverage afforded by all Coverage Parts of this Endorsement shall not exceed \$50,000.
- E. **Multiple Insureds, Claims, Losses and Claimants:** The inclusion herein of more than one Insured in any Claim or the making of Claims by, or reporting of Loss incurred by, more than one person or organization shall not operate to increase the Limits of Liability stated in this Endorsement.

1. With regard to DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part, more than one Claim arising out of a single Unauthorized Access or Interrelated Unauthorized Accesses shall be treated as a single Claim. Such single Claim shall be deemed first made on the date on which the earliest Claim arising out of such Unauthorized Access or Interrelated Unauthorized Accesses is made or with regard to notice given to and accepted by the Company pursuant to Section Claims, Loss and Expenses D., Discovery Clause, on the date within the Policy Period on which such notice of potential Claim is first received by the Company.
 2. With regard to DataBreachSM COVERAGE B. - Data Breach Loss to Insured Coverage Part, more than one Loss arising out of a single Unauthorized Access shall be considered a single Unauthorized Access.
 3. With regard to DataBreachSM COVERAGE C. - Breach Mitigation Expense Coverage Part, all Breach Mitigation Expenses arising out of a single Unintentional Data Compromise or a series of related Unintentional Data Compromises, shall be treated as a single Unintentional Data Compromise.
7. Section Defense, Settlements and Claim Expenses is deleted and replaced with the following:

DEFENSE, SETTLEMENTS AND CLAIM EXPENSES

- A. Defense and Investigation:** With regard to DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part, the Company shall have the right and duty to defend the Insured and to investigate any Claim to which coverage afforded by this Endorsement under DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part applies pursuant to the following provisions:
1. Claim Expenses incurred in defending and investigating such Claim shall be a part of and shall not be in addition to the applicable Limits of Liability stated in this Endorsement. Such Claim Expenses shall reduce the applicable Limits of Liability and shall be applied against the applicable Deductible. The Company shall have no obligation to pay any Damages or to defend or continue to defend any Claim or to pay Claim Expenses after the applicable Limits of Liability have been exhausted by payment(s) of Damages and/or Claim Expenses.
 2. The Company shall select defense counsel; provided, however, that if the law of the state of the Named Insured's domicile, stated in the Declarations, allows the Insured to control the selection of defense counsel where a conflict of interest has arisen between the Insured and the Company, the Company will provide a list of attorneys or law firms from which the Insured may designate defense counsel who shall act solely in the interest of the Insured, and the Insured shall direct such defense counsel to cooperate with the Company. Such cooperation shall include:
 - (a) providing on a regular basis, but not less frequently than every three (3) months, written reports on claimed Damages, potential liability, progress of any litigation, any settlement demands, or any investigation developments that materially affect the Claim;
 - (b) providing any other reasonable information requested;
 - (c) providing fully itemized billing on a periodic basis; and
 - (d) cooperating with the Company and the Insured in resolving any discrepancies;
 and the fees and costs incurred by such defense counsel, including those fees and costs generated by cooperation with the Company, as set forth above, shall be included in Claim Expenses. Such Claim Expenses shall be a part of and shall not be in addition to the applicable Limits of Liability stated in this Endorsement. Such Claim Expenses shall reduce the applicable Limits of Liability.
 3. The determination of the Company as to the reasonableness of the Claim Expenses shall be conclusive on the Named Insured.
- B. Claim Settlement:** The Company may, at its sole discretion, investigate, negotiate and settle any Claim. The Named Insured will abide by the terms of such settlement.
- C. Loss or Breach Mitigation Expense Payment:** The Company may, at its sole discretion, investigate any Loss, any Breach Mitigation Expense, any Unintentional Data Compromise and any Unauthorized Access or Potential Unauthorized Access. The Company will indemnify the Named Insured within sixty (60) days after it receives the sworn proof of Loss under DataBreachSM COVERAGE B. - Data Breach Loss to Insured Coverage

Part or satisfactory written proof of payment of Breach Mitigation Expenses under DataBreachSM COVERAGE C. - Breach Mitigation Expense Coverage Part, provided: (1) the Insured has complied with all the terms of this Endorsement; and (2) the Company and the Named Insured have agreed with the items included within and the amounts documented in the Named Insured's sworn proof of Loss and satisfactory written proof of payment of Breach Mitigation Expenses.

8. Section Claims is deleted and replaced with the following:

CLAIMS, LOSS AND EXPENSES

- A. Claim Reporting Provision:** It is a condition precedent to coverage afforded by this Endorsement under DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part that the Insured shall give to the Company written notice as stated in the Notices item of the Declarations as soon as practicable of any Claim first made against the Insured during the Policy Period or the Extended Reporting Period, if exercised, and in no event later than sixty (60) days after the end of the Policy Period or the Extended Reporting Period, if exercised.

In the event a suit is brought against the Insured or a charge against the Insured is instituted by any Authority or any administrative action is initiated by an Authority, the Insured shall immediately forward to Markel Service, Incorporated, Ten Parkway North, Deerfield, Illinois, 60015, on behalf of the Company, every demand, notice, summons or other process received by him/her or by his/her representatives.

- B. Loss Reporting Provision:** It is a condition precedent to coverage afforded by this Endorsement under DataBreachSM COVERAGE B. - Data Breach Loss to Insured Coverage Part that the Named Insured shall give to the Company written notice as stated in the Notices item of the Declarations as soon as practicable and in no event later than sixty (60) days after the end of the Policy Period of any Loss which results directly from an Unauthorized Access which occurs during the Policy Period.

In the event of any Loss, the Insured must:

1. Notify law enforcement in the event of a theft;
2. Give the Company prompt notice of the Unauthorized Access;
3. As soon as practicable, provide a description of how, when and what elements of the Named Insured's Electronic Communications System were impacted by the Unauthorized Access;
4. Take all reasonable steps to protect the Named Insured's Electronic Communications System from further Unauthorized Access and to reduce Loss;
5. As often as may be reasonably required, permit the Company to inspect the Named Insured's Electronic Communications System and examine the Insured's books and records related to the Loss incurred; and
6. Provide, within sixty (60) days of the Company's request, a sworn proof of Loss, signed by the Named Insured, containing the information the Company requests to investigate the Loss.

- C. Breach Mitigation Expense Reporting Provision:** It is a condition precedent to coverage afforded by this Endorsement under DataBreachSM COVERAGE C. - Breach Mitigation Expense Coverage Part that the Named Insured shall give to the Company written notice as stated in the Notices item of the Declarations as soon as practicable and in no event later than sixty (60) days after the end of the Policy Period of any Unintentional Data Compromise, Unauthorized Access or Potential Unauthorized Access which occurs during the Policy Period.

The Named Insured must

1. Submit to the Company satisfactory written proof of payment of such Breach Mitigation Expenses within one (1) year after the expiration or cancellation of this policy;
2. As soon as practicable, provide a description of how, when and what elements, if any, of the Named Insured's or a third party's Electronic Communications System were impacted by the Unintentional Data Compromise, Unauthorized Access or Potential Unauthorized Access;
3. Take all reasonable steps to protect the Named Insured's Electronic Communications System from further Unauthorized Access, if applicable;

4. As often as may be reasonably required, permit the Company to inspect the Named Insured's Electronic Communications System and examine the Insured's books and records related to the Breach Mitigation Expense incurred.

D. Discovery Clause: Under DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part, if during the Policy Period, the Insured first becomes aware of a specific Unauthorized Access or specific Potential Unauthorized Access which is reasonably expected to result in a Claim within the scope of coverage of this DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part, then the Insured may provide written notice as stated in the Notices item of the Declarations to the Company containing the information listed below. If such written notice is received by the Company during the Policy Period, then any Claim subsequently made against the Insured arising out of such Unauthorized Access or Potential Unauthorized Access shall be deemed for the purpose of this insurance to have been first made on the date on which such written notice is first received by the Company.

It is a condition precedent to the coverage afforded by this Discovery Clause that written notice be given to the Company containing the following information:

1. the description of the specific Unauthorized Access or Potential Unauthorized Access;
2. the date on which such Unauthorized Access or Potential Unauthorized Access took place;
3. the injury or damage which has or may result from such Unauthorized Access or Potential Unauthorized Access;
4. the identity of any injured persons and/or organization subject to such injury or damage; and
5. the circumstances by which the Insured first became aware of such Unauthorized Access or Potential Unauthorized Access.

Subject to the paragraph hereinabove, if during the Policy Period the Insured provides such written notice of a specific Unauthorized Access or Potential Unauthorized Access which is reasonably expected to result in a Claim within the scope of coverage of this DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part, the Company at its sole option, may investigate such specific Unauthorized Access or Potential Unauthorized Access. Such matter shall be subject to all terms, conditions and provisions in this Endorsement as applicable to a Claim.

E. Assistance and Cooperation of the Insured: The Insured shall cooperate with the Company and upon the Company's request, the Insured shall: (1) submit to examination and interview by a representative of the Company and while not in the presence of any other Insured, under oath if required; (2) attend hearings, depositions and trials; (3) assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses in the conduct of suits; and (4) give a written statement or statements to the Company's representatives and meet with such representatives for the purpose of determining coverage and/or investigating any Claim or Loss and/or defending any Claim, all without cost to the Company. The Insured shall further cooperate with the Company and do whatever is necessary to secure and effect any right of indemnity, contribution or apportionment which the Insured may have.

The Insured shall not, with respect to any Claim covered under this Endorsement, except at his/her own cost, make any payment, admit any liability, settle any Claims, assume any obligation, agree to arbitration or any similar means of resolution of any dispute, waive any rights or incur Claim Expenses without the Company's prior written consent, such consent not to be unreasonably withheld. Any costs and expenses incurred by the Insured prior to the Insured giving written notice of the Claim to the Company shall be borne by the Insured.

F. False or Fraudulent Claims: If any Insured shall commit fraud in proffering any Claim or Loss, this insurance shall become void as to such Insured from the date such fraudulent Claim or Loss is proffered.

9. Section Extended Reporting Period is deleted and replaced with the following:

EXTENDED REPORTING PERIOD

A. With regard to DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part, the Named Insured's right to exercise the Extended Reporting Period under this Endorsement shall exist solely if the Named Insured also exercises its right to purchase the Extended Reporting Period under all Insuring Agreements in the policy for which an Extended Reporting Period is available.

- B.** If the Named Insured nonrenews this policy or cancels this policy pursuant to the Cancellation Condition, or if the Company nonrenews this policy or cancels this policy pursuant to the Cancellation Condition, for reasons other than nonpayment of premium, Deductible or Co-Insurance Obligation or non-compliance with the terms and conditions of this policy, then the Named Insured shall have the right upon payment of an additional premium calculated at the percentage stated in the Declarations of the annual premium for the Policy Period to extend the coverage granted under DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part of this policy for the period of months stated in the Declarations, as elected by the Named Insured, to apply to Claims first made against the Insured during the period of months as elected, and reported to the Company pursuant to Section Claims, Loss and Expenses A., Claim Reporting Provision of this Endorsement, following immediately upon the effective date of such cancellation or nonrenewal, by reason of any Unauthorized Access or Potential Unauthorized Access the entirety of which happened during the Policy Period or on or after the Retroactive Date stated in Section Insuring Agreement, DataBreachSM COVERAGE A. - Data Breach and Privacy Liability Coverage Part, Item 1., and prior to the effective date of such cancellation or nonrenewal and which is otherwise covered by this policy.

This extended period of coverage as elected by the Named Insured and described in this paragraph shall be referred to in this policy as the Extended Reporting Period.

If, however, this policy is immediately succeeded by similar claims made insurance coverage on which the applicable Retroactive Date is the same as or earlier than that stated above, the succeeding insurance shall be deemed to be a renewal hereof and, in consequence, the Named Insured shall have no right to purchase an Extended Reporting Period.

The quotation of a different premium and/or Deductible and/or Co-Insurance Obligation and/or Limit of Liability for renewal does not constitute a cancellation or refusal to renew for the purpose of this provision.

- C.** As a condition precedent to the right to purchase the Extended Reporting Period, the Named Insured must have paid: (1) all Deductibles when due; (2) all Co-Insurance Obligations when due; (3) all premiums due for the Policy Period; and (4) all premium, deductibles and co-insurance obligations due on any other policy(ies) issued by the Company or any of its affiliated companies in an uninterrupted series of policies of which this policy is a renewal or replacement. The right to purchase the Extended Reporting Period shall terminate unless a written notice as stated in the Notices item of the Declarations of such election for the Extended Reporting Period is received by the Company within thirty (30) days after the effective date of cancellation or nonrenewal together with payment of the additional deposit premium for the Extended Reporting Period. If such written notice of request and payment of additional premium for the Extended Reporting Period are not so received by the Company, there shall be no right to purchase the Extended Reporting Period at a later date.
- D.** In the event of the purchase of the Extended Reporting Period the entire premium therefor shall be fully earned at its commencement.
- E.** The Extended Reporting Period shall not in any way increase the Limits of Liability stated in this policy or in this Endorsement.

- 10.** Section Other Conditions is amended by the addition of the following:

Mitigation: It is a condition precedent to coverage that the Insured shall not willfully fail to comply with any Security Breach Notice Law that the Named Insured may be subject to, by reason of an Unauthorized Access or Potential Unauthorized Access.

- 11.** The following Conditions and provisions of the policy shall also apply to the coverage afforded by this Endorsement.

Cancellation,
 Representations Entire Agreement,
 Other Insurance,
 Changes,
 Assignment of Interest,
 Subrogation,
 Premium and Audit,
 Action Against the Company,

Authorization,
Service of Suit, and
Nuclear Energy Liability Exclusion (Broad Form).

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 11
Effective Date of Endorsement: June 25, 2012

AMENDMENT OF CANCELLATION

This endorsement modifies the COMMON POLICY CONDITIONS.

In consideration of the premium paid, it is hereby understood and agreed that the second paragraph of Section Other Conditions A., Cancellation, is deleted and replaced with the following:

This policy may be cancelled by the Company or by its underwriting manager, on behalf of the Company, by mailing to the Named Insured, at the address stated in Item 2. of the Declarations, written notice stating when, not less than 60 days thereafter, such cancellation shall be effective. However, if the policy is cancelled because the Named Insured has failed to pay a premium or Deductible when due, including premium due on any other policy(ies) issued by the Company or any of its affiliated companies in an uninterrupted series of policies of which this policy is a renewal or replacement, this policy may be cancelled by the Company or by its underwriting manager, on behalf of the Company, by mailing a written notice of cancellation to the Named Insured stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of notice as aforementioned shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the Policy Period. Such notice shall be conclusive on all Insureds. Delivery of such written notice by the Named Insured, the Company or its underwriting manager shall be equivalent to mailing. If cancelled by the Company or its underwriting manager, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 12
Effective Date of Endorsement: June 25, 2012

25% MINIMUM EARNED PREMIUM ENDORSEMENT

In consideration of the premium paid, it is hereby understood and agreed that in the event that this policy is cancelled by the Named Insured, the policy premium is subject to a minimum earned premium of twenty-five percent (25%) of the total premium.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 13
Effective Date of Endorsement: June 25, 2012

ASBESTOS EXCLUSION

In consideration of the premium paid, it is hereby understood and agreed that the insurance provided by this policy shall not apply to any Claim, loss or expense caused by, resulting from or arising out of asbestos, asbestos fibers or any product or material containing asbestos in any form, under any theory of liability whatsoever.

It is further agreed that the Company shall have no duty to defend or to pay or reimburse for any fees, costs or expenses in the investigation or defense of any Claim excluded herein.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 14
Effective Date of Endorsement: June 25, 2012

MOLD EXCLUSION

In consideration of the premium paid, it is hereby understood and agreed that this policy does not apply to any Claim based upon, arising out of, or in any way involving **Mold** or **Mold Event**.

Solely for the purposes of this endorsement:

Mold means any permanent or transient fungus, mold, mildew or mycotoxin, or any of the spores, scents or by-products resulting therefrom that exist, emanate from or move anywhere indoors or outdoors, regardless of whether they are proved to cause disease, injury or damage.

Mold Event means any actual, alleged or threat of contact with, exposure to, or inhalation, ingestion, absorption, discharge, dispersal, seepage, migration, release, escape, presence, growth or reproduction of **Mold**.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LONGER DURATION EXTENDED REPORTING PERIOD AVAILABILITY

This endorsement modifies insurance provided under the following:

PHYSICIANS, SURGEONS, DENTISTS AND PODIATRISTS PROFESSIONAL LIABILITY INSURANCE POLICY
SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY INSURANCE POLICY
SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY COVERAGE PART - CLAIMS MADE COVERAGE
SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY INSURANCE COVERAGE PART - CLAIMS MADE COVERAGE
SPECIFIED MEDICAL PROFESSIONS GENERAL LIABILITY (INCLUDING PRODUCTS AND COMPLETED OPERATIONS LIABILITY) INSURANCE COVERAGE PART - CLAIMS MADE COVERAGE
LOCUM TENENS AND CONTRACT STAFFING PROFESSIONAL LIABILITY INSURANCE COVERAGE PART
LOCUM TENENS AND CONTRACT STAFFING GENERAL LIABILITY INSURANCE (INCLUDING PRODUCTS AND COMPLETED OPERATIONS LIABILITY) COVERAGE PART - CLAIMS MADE COVERAGE

In consideration of the premium paid, it is hereby understood and agreed that in addition to the availability of the Extended Reporting Period for the period of months stated in Item 10. of the Declarations, an Extended Reporting Period of the following duration shall also be available:

48 months;
60 months;
72 months; or
84 months.

The Named Insured must make a written request for the longer duration Extended Reporting Period received by the Company within 10 days after the end of the Policy Period. The written request must specify from the options stated above which period of Extended Reporting Period is requested. The Company will determine the additional premium to be charged for such Extended Reporting Period.

The Company will provide to the Named Insured in writing the amount of the additional premium for an Extended Reporting Period of the duration specified within 10 days of receipt of the Named Insured's written request.

All other terms and conditions of the Section Extended Reporting Period shall apply with regard to the Named Insured's exercise of any such longer duration Extended Reporting Period.

All other terms and conditions remain unchanged.



EVANSTON INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CERTIFIED ACTS OF TERRORISM ENDORSEMENT

This endorsement modifies insurance provided under the following:

SPECIFIED MEDICAL PROFESSIONS GENERAL LIABILITY (INCLUDING PRODUCTS AND COMPLETED OPERATIONS LIABILITY) INSURANCE COVERAGE PART - CLAIMS MADE COVERAGE
SPECIFIED MEDICAL PROFESSIONS GENERAL LIABILITY (INCLUDING PRODUCTS AND COMPLETED OPERATIONS LIABILITY) INSURANCE COVERAGE PART - OCCURRENCE COVERAGE
LOCUM TENENS AND CONTRACT STAFFING GENERAL LIABILITY INSURANCE (INCLUDING PRODUCTS AND COMPLETED OPERATIONS LIABILITY) COVERAGE PART - CLAIMS MADE COVERAGE
LOCUM TENENS AND CONTRACT STAFFING GENERAL LIABILITY INSURANCE (INCLUDING PRODUCTS AND COMPLETED OPERATIONS LIABILITY) COVERAGE PART - OCCURRENCE COVERAGE

In consideration of the premium paid, it is hereby understood and agreed that, with respect to any Claim otherwise covered hereunder, this Coverage Part shall not exclude any Claim based upon, arising out of, or in any way involving any Certified Act of Terrorism.

Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The federal Terrorism Risk Insurance Act sets forth the following criteria for a Certified Act of Terrorism:

1. The act resulted in insured losses in excess of \$5 million in the aggregate attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and the Company has met the Company's deductible under the Terrorism Risk Insurance Act, the Company shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such cases insured losses up to that amount are subject to pro rata allocation in accordance with the procedures established by the Secretary of Treasury.

All other provisions of the policy shall remain unchanged.



EVANSTON INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF DEFINITIONS AND EXCLUSIONS – ELECTRONIC DATA AND DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES

This endorsement modifies insurance provided under the following:

LOCUM TENENS AND CONTRACT STAFFING PROFESSIONAL LIABILITY INSURANCE COVERAGE PART
SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY INSURANCE POLICY
SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY COVERAGE PART – CLAIMS MADE
COVERAGE
SPECIFIED MEDICAL PROFESSIONS PROFESSIONAL LIABILITY INSURANCE COVERAGE PART – CLAIMS MADE
COVERAGE
PHYSICIANS, SURGEONS, DENTISTS AND PODIATRISTS AND PROFESSIONAL LIABILITY INSURANCE POLICY

Section The Exclusions is amended by the addition of the following:

any Claim based upon or arising out of any violation of:

- (a) the Telephone Consumer Protection Act of 1991 (TCPA) and amendments thereto or any similar or related federal or state statute, law, rule, ordinance or regulation;
- (b) the CAN-SPAM Act of 2003 and amendments thereto or any similar or related federal or state statute, law, rule, ordinance or regulation; or
- (c) any other statute, law, rule, ordinance or regulation that prohibits or limits the sending, transmitting, communication or distribution of information or other material.

All other terms and conditions remain unchanged.



EVANSTON INSURANCE COMPANY

Endorsement

Named Insured:
NARCONON OF GEORGIA

Attached to and forming
a part of Policy No.: SM-887805
Endorsement No.: 18
Effective Date of Endorsement: June 25, 2012

SPLIT RETROACTIVE DATE

This endorsement modifies insurance provided under the following:

Specified Medical Professions Professional Liability Insurance Coverage Part

In consideration of the premium paid, it is hereby understood and agreed that Section Limits of Liability A. and B. are amended to include the following:

The total liability of the Company for Claims insured herein arising out of an act, error or omission first happening on or after August 19, 2011, but prior to June 25, 2012, shall not exceed \$1,000,000 Each Claim and \$3,000,000 Aggregate.

The total liability of the Company for Claims insured herein arising out of an act, error or omission first happening on or after June 25, 2012 shall not exceed \$1,000,000 Each Claim and \$3,000,000 Aggregate.

For Claims based upon or arising out of a series of related acts, errors or omissions, the total liability of the Company shall be determined by the date on which the first act, error or omission of the series first happens.

All other provisions of the policy shall remain unchanged.

Specified Medical Professions General Liability (Including Products and Completed Operations Liability) – Occurrence Coverage

Specified Medical Professions Professional Liability Policy – Claims Made Coverage

THERE ARE BOTH OCCURRENCE COVERAGES AND CLAIMS MADE COVERAGES IN THIS POLICY.

COMMON POLICY CONDITIONS

In consideration of the premium paid, the undertaking of the Named Insured to pay the applicable Deductible as described herein and in the amount stated in the Declarations, in reliance upon the statements in the application attached hereto and made a part hereof and the underwriting information submitted on behalf of the Insured, and subject to the terms, conditions and limitations of this policy, the Company and the Insured agree as follows:

Various provisions in the Common Policy Conditions restrict coverage.

All Coverage Parts included in this policy are subject to the following conditions.

DEFINITIONS

- A. **Damages** means the monetary portion of any judgment, award or settlement; provided, however, Damages shall not include: (1) punitive or exemplary damages or multiplied portions of damages in excess of actual damages, including trebling of damages; (2) taxes, criminal or civil fines, or attorney's fees or other penalties imposed by law; (3) sanctions; (4) matters which are uninsurable under the law pursuant to which this policy shall be construed; or (5) the return of or restitution of fees, profits or charges for services rendered.
- B. **Employee** means any person while in the regular service of the Named Insured in the ordinary course of the Named Insured's business and whom the Named Insured compensates by salary, wages or commissions and has the right to govern and direct the performance of such service. Employee includes a Leased Worker but does not include any Temporary Worker or independent contractor.
- C. **Leased Worker** means a person leased to the Named Insured by a labor leasing firm, under an agreement between the Named Insured and the labor leasing firm, to perform duties related to the conduct of the Named Insured's business and which are at the Insured's direction. Leased Worker does not include a Temporary Worker.
- D. **Policy Period** means the period from the inception date of this policy to the policy expiration date as stated in Item 3. of the Declarations, or its earlier cancellation or termination date.
- E. **Professional Services** means those services described in Item. 4.B. of the Declarations.
- F. **Temporary Worker** means any person who is furnished to the Named Insured to substitute for a permanent Employee on leave or to meet seasonal or short-term work load requirements.
- G. **Volunteer Worker** means any person who is not an Employee of the Named Insured and who donates his/her work at the direction of and within the scope of duties determined by the Named Insured and is not paid a fee, salary or other compensation by the Named Insured or by anyone else for such work performed for the Named Insured.

TERRITORY

The insurance afforded by this policy applies worldwide, provided the Claim is made in the United States of America, its territories or possessions or Puerto Rico.

CLAIMS

- A. **Assistance and Cooperation of the Insured:** The Insured shall cooperate with the Company and upon the Company's request, the Insured shall: (1) submit to examination and interview by a representative of the Company, under oath if required; (2) attend hearings, depositions and trials; (3) assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses in the conduct of suits; (4) give a written statement or statements to the Company's representatives and meet with such representatives for the purpose of determining coverage and investigating and/or defending any Claim, all without cost to the Company. The Insured shall further cooperate with the Company and do whatever is necessary to secure and effect any right of indemnity, contribution or apportionment which the Insured may have. The Insured shall not, except at his/her own cost, make any payment, admit any liability, settle any Claims, assume any obligation or incur any expense without the written consent of the Company.
- B. **False or Fraudulent Claims:** If any Insured shall commit fraud in proffering any Claim, this insurance shall become void as to such Insured from the date such fraudulent Claim is proffered.

OTHER CONDITIONS

- A. **Cancellation:** This policy may be cancelled by the Named Insured on behalf of all Insureds by mailing to the Company written notice as stated in Item 13. of the Declarations stating when thereafter such cancellation shall be effective. If cancelled by the Named Insured, the earned premium shall be computed at the customary short rate. Payment or tender of unearned premium shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

This policy may be cancelled by the Company or by its underwriting manager, on behalf of the Company, by mailing to the Named Insured, at the address stated in Item 2. of the Declarations, written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective. However, if the policy is cancelled because the Named Insured has failed to pay a premium or Deductible when due, including premium due on any other policy(ies) issued by the Company or any of its affiliated companies in an uninterrupted series of policies of which this policy is a renewal or replacement, this policy may be cancelled by the Company or by its underwriting manager, on behalf of the Company, by mailing a written notice of cancellation to the Named Insured stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of notice as aforementioned shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the Policy Period. Such notice shall be conclusive on all Insureds. Delivery of such written notice by the Named Insured, the Company or its underwriting manager shall be equivalent to mailing. If cancelled by the Company or its underwriting manager, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter.

- B. **Representations:** By acceptance of this policy, the Insureds agree as follows:
1. that the information and statements contained in the application(s) are the basis of this policy and are to be considered as incorporated into and constituting a part of this policy; and
 2. that the information and statements contained in the application(s) are their representations, that they shall be deemed material to the acceptance of the risk or hazard assumed by the Company under this policy, and that this policy is issued in reliance upon the truth of such representations.
- C. **Entire Agreement:** This policy, the Declarations, the application(s) and any written endorsements attached hereto shall be deemed to be a single unitary contract.
- D. **Changes:** Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Company shall not effect a waiver or a change in any part of this policy and shall not estop the Company from asserting any right under the terms of the policy. The terms of this policy shall not be waived or changed, except by written endorsement issued to form a part of this policy, and this policy embodies all agreements existing between the Insureds and the Company or any of its agents relating to this insurance.

- E. **Assignment of Interest:** Assignment of interest under this policy shall not bind the Company unless its consent is endorsed hereon.
- F. **Subrogation:** In the event of any payment under this policy, the Company shall be subrogated to the right of recovery of all Insureds to the extent of such payment. The Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after the Claim to prejudice such rights.

The Company shall not exercise any such rights against any person, firms or corporations included in the definition of Insured. Notwithstanding the foregoing, however, the Company reserves the right to exercise any rights of subrogation against an Insured in respect of any Claim brought about or contributed to by the intentional, dishonest, fraudulent, criminal or malicious act or omission of such Insured.

Any amount so recovered shall be apportioned as follows:

Any recovery shall first be used for the repayment of expenses incurred toward subrogation; second, to any loss and expense payment by the Insured in excess of any Deductible(s); third, to any loss and expense payments by any excess carrier on behalf of the Insured; fourth, to any loss and expense payments by any primary carrier on behalf of the Insured; and, last, to repayment of the Insured's Deductible.

- G. **Premium and Audit:** Upon expiration of this policy, the Named Insured shall furnish to the Company or its underwriting manager, on behalf of the Company, a statement of the Named Insured's actual total premium base as stated in Item 8. of the Declarations for the Policy Period. The actual earned premium shall be computed thereon at the premium rate stated in Item 8. of the Declaration. If the actual earned premium is more than the deposit premium stated in Item 9. of the Declarations, the Named Insured shall pay the difference to the Company; if less, the Company shall refund the difference to the Named Insured except that the Company shall be entitled to the minimum premium as stated in Item 9. of the Declarations. The Company or its underwriting manager, on behalf of the Company, shall have the right to require of the Named Insured, at any time within the said Policy Period or one (1) year thereafter, a sworn statement of the entire amount (or number) of such premium base during the whole or any specified part of the said period, and the Named Insured shall furnish said statement within ten (10) days after request. The statement referred to shall be subject to verification and audit by a duly authorized representative of the Company, who shall have the right and opportunity to examine the books and records of the Named Insured as respects such premium base, and such examination may be made at any time during the said period and within three (3) years thereafter. The rendering of any estimate or statement or the making of any previous settlement shall not bar the examination herein provided for, nor the Company's right to additional premium.
- H. **Action Against the Company:** No action shall lie against the Company unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this policy, nor until the amount of the Insured's obligation to pay shall have been fully and finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the Claimant and the Company.

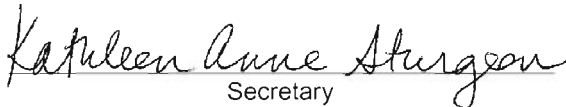
Nothing contained in this policy shall give any person or organization any right to join the Company as a co-defendant in any action against the Insured to determine the Insured's liability. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of any of its obligations hereunder.

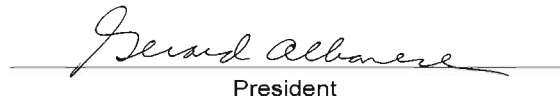
- I. **Authorization:** By acceptance of this policy, the first person or organization named in Item 1. of the Declarations shall act on behalf of all Insureds with respect to the giving and receiving of all notices to and from the Company as provided herein: the exercising of the Extended Reporting Period; the cancellation of this policy in whole or part; the payment of premiums and Deductibles when due; the receiving of any return premiums that may become due under this policy; and the Insureds agree that such person or organization shall act on their behalf.

- J. **Service of Suit:** Except with respect to any policy issued in any state in which the Company is licensed as an admitted insurer to transact business, it is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Named Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States and will comply with all requirements necessary to give such court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such court. Nothing in this clause constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Secretary, Legal Department, Markel Midwest, Ten Parkway North, Deerfield, Illinois 60015 and that in any suit instituted against the Company upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, the Company hereby designates the Superintendent, Commissioner, or Director of Insurance or other official specified for that purpose in the statute, or his/her successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Named Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Secretary, but this policy shall not be valid unless countersigned on the Declarations by a duly authorized representative of the Company.


Secretary


President

NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM)

This exclusion modifies the provisions of this policy.

It is agreed that:

1. This policy does not apply:

- A. Under any Liability Coverage, to **bodily** injury or property damage
 - (1) with respect to which an Insured under this policy is also an Insured under a nuclear energy liability policy issued by **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; or
 - (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, or any law amendatory thereof, or (b) the 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.
- B. Under any Medical Payments Coverage, or any Supplementary Payments provision relating to first aid, to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- C. Under any Liability Coverage, to bodily injury or property damage resulting from the hazardous properties of nuclear material, if
 - (1) the nuclear material (a) is at any nuclear facility owned by, or operated by or on behalf of, an Insured or (b) has been discharged or dispersed therefrom;
 - (2) 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
 - (3) 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 facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to property damage to such nuclear facility and any property thereat.

2. As used in this exclusion:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or by-product material;

"source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) 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 the 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.

- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste.

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"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;

"property damage" includes all forms of radioactive contamination of property.

Specified Medical Professions General Liability (Including Products and Completed Operations Liability) Coverage Part – Occurrence Coverage

THIS COVERAGE PART PROVIDES OCCURRENCE COVERAGE ONLY. PLEASE READ IT CAREFULLY.

THE INSURED

The unqualified word “Insured”, either in the singular or plural, means:

- A. the Named Insured specified in Item 1. of the Declarations;
- B. if the Named Insured specified in Item 1. the Declarations is an individual, the person so named and his/her lawful spouse, but only with respect to his/her conduct of business as a sole proprietor;
- C. if the Named Insured specified in Item 1. the Declarations is a partnership or joint venture, the partnership or joint venture so named and any partner or member thereof or his/her lawful spouse, but only with respect to the conduct of the partnership or joint venture business;
- D. if the Named Insured specified in Item 1. the Declarations is a limited liability company, the limited liability company so named, any manager thereof, solely while acting on behalf of the Named Insured and within the scope of their duties as manager of the limited liability company and any member thereof, but only with respect to the conduct of the business of the limited liability company;
- E. if the Named Insured specified in Item 1. the Declarations is other than an individual, partnership, joint venture or limited liability company, the organization so designated and any executive officer or director thereof, but only with respect to his/her duties as an executive officer or director of such organization;
- F. any person (other than an Employee of the Named Insured) or organization while acting as real estate manager for the Named Insured;
- G. any Employee of the Named Insured, other than the executive officers of the Named Insured if the Named Insured is an organization other than a partnership, joint venture or limited liability company or managers of the Named Insured if the Named Insured is a limited liability company, solely while acting within the scope of his/her duties as such;

provided, however, that coverage afforded to such Employee does not apply to:

1. Bodily Injury, Personal Injury or Advertising Injury:
 - (i) to the Named Insured, the Named Insured’s partners, the Named Insured’s members or to a co-Employee while in the course of his/her employment or performing duties related to the conduct of the Named Insured’s business;
 - (ii) to the spouse, child, parent, brother or sister of that co-Employee as a consequence of subparagraph 1.(i) hereinabove;
 - (iii) for which there is any obligation to share Damages with or repay someone else who must pay Damages because of the injury described in subparagraphs 1.(i) and (ii) hereinabove; or
 - (iv) arising out of his/her providing or failure to provide professional health care services, if the Named Insured is engaged in the business or occupation of providing professional health care services;
2. Property Damage to property:
 - (i) owned, occupied or used by; or
 - (ii) rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

the Named Insured or any Volunteer Worker or Employee of the Named Insured or any partner or member;

H. with respect to the operation, for the purpose of locomotion upon a public highway, of Mobile Equipment registered in the name of the Named Insured under any motor vehicle registration law:

1. an Employee of the Named Insured while operating any such equipment in the course of his/her employment by the Named Insured; or
2. any other person while operating with the permission of the Named Insured any such equipment and any person or organization legally responsible for such person but only with respect to liability arising out of such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;

provided, however, that no person or organization shall be an Insured under this paragraph H. with respect to:

- (i) Bodily Injury to any co-Employee of such person operating any such equipment; or
- (ii) Property Damage to property owned by, rented to, in the charge of or occupied by the Named Insured or the employer of any person described in subparagraph 2. hereinabove;

I. any organization which is acquired or formed by the Named Insured, other than a partnership, joint venture or limited liability company, and over which the Named Insured maintains majority ownership, will qualify as a Named Insured if there is no other similar insurance available to that organization;

provided, however that:

1. coverage under this provision is afforded only for ninety (90) days from the date the Named Insured acquires or forms such organization, or the end of the Policy Period, whichever is earlier;
2. Coverage A. does not apply to Bodily Injury or Property Damage that occurred before the Named Insured acquired or formed the organization; and
3. Coverage B. does not apply to Personal Injury or Advertising Injury arising out of an offense committed before the Named Insured acquired or formed the organization;

J. any supervisor, administrator, medical director, department head or head of medical staff solely while acting on behalf of the Named Insured and solely within the scope of his/her duties as such;

K. any student enrolled in a training program in connection with the Named Insured's Professional Services solely while acting within the scope of his/her duties as such and at the Named Insured's direction;

L. any Volunteer Worker other than a healthcare provider of the Named Insured, solely while acting on behalf of the Named Insured and within the scope of his/her duties as such and at the direction of the Named Insured;

M. the heirs, executors, administrators, assigns and legal representatives of each Insured in the event of death, incapacity or bankruptcy of such Insured, but only while acting within the scope of their duties as such on behalf of the Named Insured or of the Insured's estate.

N. any member of the Named Insured's boards or committees, solely for conduct arising out of his/her duties as board or committee members and any person who executes orders from the Named Insured's boards or committees solely while in the course and scope of executing such orders.

This Coverage Part does not apply to Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the conduct of any partnership, joint venture or limited liability company which is not named in the Declarations as a Named Insured.

INSURING AGREEMENTS

A. **Coverage A. - Bodily Injury and Property Damage Liability:** The Company shall pay on behalf of the Insured all sums in excess of the Deductible amount stated in Item 6.A.1. of the Declarations, which the Insured shall become legally obligated to pay as Damages as a result of Claims made against the Insured and reported to the Company pursuant to Section Claim Reporting Provision,

for Bodily Injury or Property Damage to which this Coverage Part applies caused by an Occurrence, provided:

1. the entirety of such Bodily Injury or Property Damage and Occurrence happens during the Policy Period; and
2. such Bodily Injury or Property Damage arises out of only those products, goods, operations or premises specified in Item 4.A. of the Declarations.

B. Coverage B. - Personal Injury and Advertising Injury Liability: The Company shall pay on behalf of the Insured all sums in excess of the Deductible amount stated in Item 6.A.2. of the Declarations, which the Insured shall become legally obligated to pay as Damages as a result of Claims made against the Insured and reported to the Company pursuant to Section Claim Reporting Provision, for Personal Injury or Advertising Injury to which this Coverage Part applies caused by an offense, provided:

1. the entirety of such Personal Injury or Advertising Injury and offense happens during the Policy Period; and
2. such Personal Injury or Advertising Injury arises out of only those products, goods, operations or premises specified in Item 4.A. of the Declarations.

C. Coverage C. – Medical Payments

The Company will pay medical expenses for Bodily Injury caused by an accident:

1. On premises the Named Insured owns or rents;
2. On ways next to premises the Named Insured owns or rents; or
3. Because of the Named Insured's operations;

provided that:

- (i) The accident takes place in the United States of America, its territories or possessions or Puerto Rico and during the Policy Period;
- (ii) The expenses are incurred and reported to the Company within one (1) year of the date of the accident; and
- (iii) The injured person submits to examination, at the Company's expense, by physicians of the Company's choice as often as the Company reasonably requires.

The Company will make these payments regardless of fault. The Company will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices, and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

DEFINITIONS

- A. Advertisement** means a commercial communication, including communications that are published material placed on the Internet or on similar electronic means of communication, that is broadcast or published about the products, goods or operations of the Named Insured for the purpose of promoting the sale or use of such products, goods or operations; provided, however, only that part of a website that is about the products, goods or operations of the Named Insured for the purposes of promoting such products, goods or operations is considered an Advertisement.
- B. Advertising Injury** means injury, including consequential Bodily Injury, arising out of oral or written publication of material that libels or slanders a person or organization or a person's or organization's products, goods or operations or other defamatory or disparaging material, occurring in the course of the Named Insured's Advertisement.

- C. **Aircraft Products** means any aircraft whether or not heavier than air (including spacecraft and missiles) and any ground support, guidance, control or communications equipment used in connection therewith, and also includes parts, supplies, or equipment installed in or on or used in connection with aircraft, including tools, training aids, instructions, manuals, blueprints and other data, engineering and other advice, services and labor used in the operation, maintenance or manufacture of any aircraft product.
- D. **Automobile** means a land motor vehicle, trailer or semitrailer designed for travel on public roads (including any attached machinery or equipment); provided, however, it does not include Mobile Equipment.
- E. **Bodily Injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- F. **Claim** means a notice received by the Insured of an intention to hold the Insured responsible for: (1) a Bodily Injury; (2) a Property Damage; (3) an Advertising Injury; or (4) a Personal Injury; involving this Coverage Part and shall include the service of suit or institution of arbitration proceedings against the Insured.
- G. **Claim Expenses** means reasonable and necessary amounts incurred by the Company or by the Insured with the prior written consent of the Company in the defense of that portion of any Claim for which coverage is afforded under this Coverage Part, including costs of investigation, court costs, costs of bonds to release attachments and similar bonds, but without any obligation of the Company to apply for or furnish any such bonds, and costs of appeals; provided, however, that Claim Expenses shall not include: (1) salary, wages, overhead, or benefit expenses of or associated with Employees or officials of the Named Insured or employees or officials of the Company; or (2) salary, wages, administration, overhead, benefit expenses, or charges of any kind attributable to any in-house counsel or captive out-of-house counsel for the Named Insured or the Company.

Solely for the purposes of liability assumed in an Insured Contract, Claim Expenses incurred by or for a party other than an Insured are deemed to be Damages because of Bodily Injury or Property Damage; provided, however, that:

- 1. liability to such party for, or the cost of, that party's defense has also been assumed in the same Insured Contract; and
 - 2. such Claim Expenses are for the defense of that party against a civil or alternative dispute resolution proceeding in which Damages to which this insurance applies are alleged.
- H. **Completed Operations Hazard** means Bodily Injury and Property Damage arising out of only those operations specified in Item 4.A. of the Declarations, after such operations have been completed or abandoned by the Insured and occurs away from premises owned by or rented to the Named Insured. Operations includes materials, parts or equipment furnished in connection therewith, warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of those products, goods and operations specified in Item 4.A. of the Declarations and the providing or failure to provide instructions related thereto. Operations shall be deemed completed at the earliest of the following times:
 - 1. when all operations to be performed by or on behalf of the Insured under a contract with the Insured have been completed;
 - 2. when all operations to be performed by or on behalf of the Insured at the site of the operations have been completed; or
 - 3. when the portion of the work out of which the Bodily Injury or Property Damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement, but which are otherwise complete, shall be deemed complete.

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

- (i) operations in connection with the transportation of property, unless the Bodily Injury or Property Damage arises out of a condition in or on a vehicle not owned or operated by the Named Insured created by the loading or unloading thereof; or
 - (ii) The existence of tools, uninstalled equipment or abandoned or unused materials.
- I. **Grounding** means the withdrawal of one or more aircraft from flight operations or the imposition of speed, passenger or load restrictions on such aircraft because of the existence of or alleged existence of a defect, fault or condition in any Aircraft Products.
- J. **Insured Contract** means:
 - 1. a contract for lease of premises; provided, however, that the portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to the Insured or temporarily occupied by the Insured with the permission of the owner shall not be an Insured Contract;
 - 2. any easement or license, except in connection with construction or demolition operations on or within fifty (50) feet of a railroad;
 - 3. an obligation, as required by municipal ordinance, to indemnify a municipality, except in connection with work for the municipality;
 - 4. a sidetrack agreement;
 - 5. an elevator maintenance agreement; or
 - 6. that part of any other contract or agreement pertaining to the Named Insured's business under which the Named Insured assumes the tort liability of another party to pay for Bodily Injury or Property Damage to a third party; provided, however, Insured Contract shall not include that part of any contract or agreement:
 - (i) that indemnifies a railroad for Bodily Injury or Property Damage arising out of 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;
 - (ii) that indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or designs or specifications; or
 - (b) supervision, inspection, failure to supervise or inspect or architectural, engineering or surveying services; or
 - (iii) under which the Insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the Insured's rendering or failure to render professional services, including those listed in subparagraph (ii) hereinabove or any supervision, inspection, failure to supervise or inspect or architectural, engineering or survey services.
- K. **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 for use principally off public roads;
 - 2. vehicles maintained for use solely 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, on which are permanently mounted:
 - (i) power cranes, shovels, loaders, diggers, or drills; or
 - (ii) road construction or resurfacing equipment such as graders, scrapers or rollers;
 - 5. vehicles not described in 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:

- (i) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (ii) cherry pickers and similar devices used to raise or lower workers;
- 6. vehicles not described in 1., 2., 3., or 4. above maintained primarily for purposes other than the transportation of persons or cargo; provided, however, that self-propelled vehicles with the following types of permanently attached equipment are not Mobile Equipment but will be considered Automobiles:
 - (i) equipment designed primarily for:
 - (a) snow removal;
 - (b) road maintenance, but not construction or resurfacing; or
 - (c) street cleaning;
 - (ii) cherry pickers and similar devices mounted on Automobile or truck chassis and used to raise or lower workers; and
 - (iii) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- L. **Named Insured's Products** means goods or products, other than real property, manufactured, sold, handled or distributed by the Named Insured or by others trading under the Named Insured's name, including any container thereof (other than a vehicle); provided, however, that Named Insured's Products shall not include a vending machine or any other property rented to or located for use of others but not sold.
- M. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- N. **Personal Injury** means injury arising out of one or more of the following offenses:
 - 1. false arrest, detention or imprisonment or malicious prosecution;
 - 2. wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord, or lessor; or
 - 3. oral or written publication of material that violates a person's right of privacy.
- O. **Products Hazard** means Bodily Injury or Property Damage arising out of only those products or goods specified in Item 4.A. of the Declarations which are the Named Insured's Products, including warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of those products or goods specified in Item 4.A. of the Declarations and the providing or failure to provide instructions related thereto, occurring away from premises owned by or rented to the Named Insured and after physical possession of such products has been relinquished to others.
- P. **Property Damage** means:
 - 1. physical injury to or destruction of tangible property, including consequential loss of use thereof; or
 - 2. loss of use of tangible property which has not been physically injured or destroyed; provided, however, such loss of use is caused by an Occurrence.

THE EXCLUSIONS

- A. With respect to all Coverages under this Coverage Part, this Coverage Part does not apply to:
 - 1. any Claim based upon or arising out of:
 - (i) the actual, alleged or threatened discharge, disposal, migration, dispersal, seepage, release or escape of Pollutants; provided, however, this subparagraph shall not apply with respect to:

- (a) the Products Hazard or Completed Operations Hazard;
- (b) damage, arising out of heat, smoke or fumes from hostile fire at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any Insured;
- (ii) Bodily Injury or Property Damage arising out of the actual, alleged or threatened discharge, disposal, migration, dispersal, seepage, release or escape of Pollutants:
 - (a) at or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (b) which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Insured or any person or organization for whom the Insured may be legally responsible; or
- (iii) any demand, request, direction, order or statutory or regulatory requirement to test for, monitor, remediate, clean up, remove, contain, treat, detoxify or neutralize Pollutants, or in any way respond to or assess the effects of Pollutants or to pay for or contribute to the costs of undertaking such actions; provided, however, this subparagraph shall not apply to liability for Damages because of Property Damage that the Insured would have in the absence of such demand, request, direction, order or statutory or regulatory requirement;

Pollutants means any solid, liquid, gaseous or thermal irritants or contaminants including, smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;

- 2. any Claim based upon or arising out of the rendering of or failure to render professional services by the Insured or by any person or organization for whose acts, errors or omissions the Insured is legally responsible;
 - 3. any Claim based upon or arising out of the Insured's activities as a fiduciary under the Employee Retirement Income Security Act of 1974 (ERISA) and its amendments or any regulation or order issued pursuant thereto;
 - 4. any Claim based upon or arising out of any unlawful discrimination by any Insured; or
 - 5. any Claim brought under any other Coverage Part of this policy.
- B. With respect to Coverage A., this Coverage Part does not apply to:
- 1. any Claim based upon or arising out of Bodily Injury or Property Damage expected or intended from the standpoint of the Insured; provided, however, this exclusion does not apply to Bodily Injury resulting from the use of reasonable force to protect persons or property;
 - 2. any Claim based upon or arising out of Bodily Injury or Property Damage for which the Insured is obligated to pay Damages because of the assumption of liability in any contract or agreement; provided, however, this exclusion shall not apply to liability for damages:
 - (i) that the Insured would have in the absence of the contract or agreement; or
 - (ii) assumed in a contract or agreement that is an Insured Contract, provided, the Bodily Injury and Property Damage occurs subsequent to the execution of the Insured Contract;
 - 3. any Claim based upon or arising out of loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - (i) a delay in or lack of performance by or on behalf of the Named Insured of any contract or agreement; or
 - (ii) a defect, deficiency, inadequacy or dangerous condition in the products, goods or operations of the Named Insured;

provided, however, this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the Named Insured's Products

or work performed by or on behalf of the Named Insured after such products or work have been put to use by any person or organization other than an Insured;

4. any Claim based upon or arising out of Property Damage to the Named Insured's Products arising out of it or any part of it, or for the cost of inspecting, repairing or replacing any defective or allegedly defective product or part thereof or for loss of use of any defective or allegedly defective product;
5. any Claim for damages for any loss, cost or expense incurred by the Named Insured or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of the Named Insured's Products or work completed by or for the Named Insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect, deficiency, inadequacy or dangerous condition therein;
6. any Claim based upon or arising out of Bodily Injury or Property Damage arising out of ownership, maintenance, operation, use or entrustment to others or loading or unloading of:
 - (i) any Automobile, aircraft or watercraft owned or operated by or rented or loaned to any Insured; or
 - (ii) any other Automobile, aircraft or watercraft operated by any person in the course of his/her employment or activities on behalf of the Named Insured;

provided, however, this exclusion shall not apply to:

- (a) the parking of an Automobile on premises owned by, rented to or controlled by the Named Insured or on ways next to such premises, if such Automobile is not owned by or rented or loaned to any Insured;
 - (b) a watercraft while ashore on premises owned by, rented to or controlled by the Named Insured; or
 - (c) a watercraft that is less than twenty-six (26) feet in length, that is not owned by the Named Insured and that is not being used to carry persons or property for a charge;
7. any Claim based upon or arising out of Bodily Injury or Property Damage arising out of:
 - (i) the ownership, maintenance, operation, use, loading or unloading of any Mobile Equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for such contest or activity; or
 - (ii) the operation or use of any snowmobile, moped or motorized bicycle, or trailer designed for use therewith;
 8. any Claim based upon or arising out of Bodily Injury or Property Damage arising out of the transportation of Mobile Equipment by an Automobile owned or operated by or rented or loaned to any Insured;
 9. any Claim based upon or arising out of Property Damage to:
 - (i) property owned, occupied or rented to the Insured;
 - (ii) property loaned to the Insured;
 - (iii) personal property in the care, custody or control of the Insured;
 - (iv) that particular part of any property,
 - (a) upon which operations are being performed by or on behalf of the Insured if the Property Damage arises out of those operations; or
 - (b) the restoration, repair or replacement of which has been made or is necessary because of faulty workmanship thereon by or on behalf of the Insured; provided, however, this subparagraph shall not apply with respect to Property Damage included in the Completed Operations Hazard or the Products Hazard;

(v) premises that the Named Insured sells, gives away or abandons, if the Property Damage arises out of any part of those premises; provided, however, this subparagraph shall not apply if the premises are included in the Completed Operations Hazard and were never occupied, rented or held for rental by the Named Insured; or

(vi) to work performed by the Insured arising out of such work or any portion thereof, or out of such materials, parts or equipment furnished in connection therewith with respect to the Completed Operations Hazard;

provided, however, Items (ii), (iii), and (iv) of this exclusion shall not apply with respect to liability under a written sidetrack agreement;

10. any Claim based upon or arising out of any obligation of the Insured under any workers' compensation, unemployment compensation or disability benefits law or under any similar law;

11. any Claim based upon or arising out of Bodily Injury to any Employee of the Insured arising out of and in the course of employment by the Insured or performing duties related to conduct of the Insured's business or any such Claim brought by or on behalf of the spouse, child, parent, brother, sister or partner of the Employee;

this exclusion shall apply:

(i) whether the Insured may be liable as an employer or in any other capacity; and

(ii) to any obligation to share damages with or repay someone else who must pay damages because of injury;

provided, however, that this exclusion shall not apply with respect to liability assumed by the Insured under an Insured Contract;

12. any Claim based upon or arising out of Bodily Injury or Property Damage for which the Insured may be held liable because of:

(i) causing or contributing to the intoxication of any person;

(ii) the furnishing of alcoholic beverages to a person under legal drinking age or under the influence of alcohol; or

(iii) any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages;

provided, however, this exclusion shall apply only if the Named Insured:

(a) manufactures or distributes alcoholic beverages;

(b) serves or furnishes alcoholic beverages for a charge whether or not such activity requires a license, is for financial gain or livelihood; or

(c) serves or furnishes alcoholic beverages without a charge if a license is required for such activity;

13. any Claim based upon or arising out of Bodily Injury or Property Damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing with respect to liability assumed by the Insured under an Insured Contract;

14. any Claim based upon or arising out of Aircraft Products including consequential loss of use thereof resulting from Grounding;

15. any Claim based upon or arising out of any products or goods manufactured, sold, handled, or distributed or work completed by the Insured or by others operating under the direction or control of the Insured in violation of any law, statute, ordinance, or regulation, Federal, State or Municipal government, or agencies thereof;

16. any Claim for Bodily Injury arising out of Personal Injury or Advertising Injury.

17. any Claim based upon or arising out of Bodily Injury sustained by any patient, person or resident of a healthcare facility receiving Professional Services of any Insured or any such Claim brought

by or on behalf of the spouse, child, parent, grandparent, brother, sister or partner of such patient, person or resident of a healthcare facility.

Exclusions 3. through 16. shall not apply to damage by fire to premises while rented by the Named Insured or temporarily occupied by the Named Insured with the permission of the owner of the premises. A Limit of Liability applies to this coverage as described in Section Limits of Liability, Coverage A. - Limit of Liability - Damage to Premises.

C. With respect to Coverage B., this Coverage Part does not apply to:

1. any Claim based upon or arising out of Personal Injury or Advertising Injury caused by or at the direction of the Insured with the knowledge that the act would violate the rights of another and would inflict Personal Injury or Advertising Injury;
2. any Claim based upon or arising out of Personal Injury or Advertising Injury arising out of the oral or written publication of material, if done by or at the direction of the Insured with the knowledge of its falsity;
3. Personal Injury or Advertising Injury arising out of oral or written publication of material whose first publication took place before the beginning of the Policy Period.
4. any Claim based upon or arising out of Personal Injury or Advertising Injury arising out of any criminal act committed by or at the direction of the Insured;
5. any Claim based upon or arising out of Advertising Injury arising out of a mistake in advertised price or incorrect description of any product, good or operation;
6. any Claim based upon or arising out of any liability assumed by the Insured in a contract or agreement; provided, however, this exclusion shall not apply to liability an Insured would have in the absence of the contract or agreement;
7. any Claim based upon or arising out of Personal Injury or Advertising Injury arising out of piracy, unfair competition, the infringement of copyright, title, trade dress, slogan, service mark, service name or trademark, trade name, patent, trade secret or other intellectual property right;
8. any Claim based upon or arising out of Personal Injury or Advertising Injury arising out of an electronic chatroom or bulletin board the Insured hosts, owns, or over which the Insured exercises control;
9. any Advertising Injury committed by any Insured whose business is:
 - (i) advertising, broadcasting, publishing, or telecasting;
 - (ii) designing or determining content for websites for others; or
 - (iii) an Internet access, content search or service provider;
10. any Claim based upon or arising out of a breach of contract; provided, however, this exclusion shall not apply to an implied contract to use another's advertising idea in the Named Insured's Advertisement;
11. any Claim based upon or arising out of the failure of products, goods or services to conform with any statement of quality or performance made in the Named Insured's Advertisement; or
12. any Claim based upon or arising out of the refusal to employ, terminate employment, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or other practices or policies related to employment or professional privileges.

D. With respect to Coverage C., the Company will not pay any expenses for Bodily Injury:

1. to any Insured;
2. to a person hired to do work for or on behalf of the Insured or a tenant of the Named Insured
3. to a person injured on that part of premises owned or rented by the Named Insured that the person normally occupies;

4. to a person, whether or not an Employee of an Insured, if benefits for the Bodily Injury are payable or must be provided under any workers' compensation or disability benefits law or under any similar law;
5. to a person injured while taking part in athletics;
6. included in the Products Hazard or the Completed Operations Hazard;
7. excluded under Coverage A.;
8. to any patient, person or resident of a healthcare facility receiving Professional Services; or
9. due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

LIMITS OF LIABILITY

- A. **Coverage A. - Limit of Liability-Each Occurrence:** The total liability of the Company for the combined total of Damages and Claim Expenses for all Claims because of all Bodily Injury or Property Damage sustained by one or more persons or entities as the result of any one Occurrence shall not exceed the Limit of Liability stated in Item 5.A.1.(i) of the Declarations as applicable to Each Occurrence.
- B. **Coverage A. - Limit of Liability-Damage to Premises:** The total liability of the Company for the combined total of Damages and Claim Expenses for all Claims, including those subject to the above provision regarding the Coverage A - Limit of Liability – Each Occurrence, because of Property Damage to any one premises while rented by the Named Insured or in the case of damage by fire, while rented by the Named Insured or temporarily occupied by the Named Insured with the permission of the owner of the premises, shall not exceed the Limit of Liability stated in Item 5.A.1.(ii) of the Declarations as applicable to Damage to Premises – Any One Premises.
- C. **Coverage B. - Limit of Liability-Each Person or Organization:** The total liability of the Company for the combined total of Damages and Claim Expenses for all Claims under Coverage B. because of all Personal Injury and all Advertising Injury sustained by any one person or organization shall not exceed the Limit of Liability stated in Item 5.A.2. of the Declarations as applicable to Each Person or Organization.
- D. **Coverage C.– Medical Payments: Limit of Liability–Each Injured Person:** The total liability of the Company for medical expenses under Coverage C. because of Bodily Injury sustained by any one person shall not exceed the Limit of Liability stated in Item 5.A.3.(i) as applicable to Each Injured Person.
- E. **Limit of Liability – Aggregate:** Subject to the above Limits of Liability A., B., C. and D., the total liability of the Company shall not exceed the Aggregate Limit of Liability as stated in Item 5.A.4. of the Declarations for all Damages and Claim Expenses for Coverage A. and B. and all medical expenses for Coverage C.
- F. **Deductible:** The applicable Deductible amount stated in Item 6.A. of the Declarations shall be paid by the Named Insured and shall be applicable to each Occurrence and to each person or organization and shall include Damages and Claim Expenses, whether or not Damages payments are made.

Such amounts shall, upon written demand by the Company, be paid by the Named Insured within ten (10) days. The total payments requested from the Named Insured in respect of each Occurrence or each person or organization shall not exceed the applicable Deductible amount stated in Item 6.A. of the Declarations. Solely for the purpose of determining the Company's limit of liability, the applicable Deductible amount shall be deemed to be applied first to the Damages.

The determination of the Company as to the reasonableness of the Claim Expenses shall be conclusive on the Named Insured.

- G. **Multiple Insureds, Claims, Occurrences, Offenses and Claimants:** The inclusion herein of more than one Insured in any Claim or suit or the making of Claims or the bringing of suits by more than

one person or organization shall not operate to increase the Limits of Liability stated in Item 5.A. of the Declarations.

More than one Bodily Injury and/or Property Damage, including any continuation, change or resumption of such Bodily Injury or Property Damage, arising out of a single Occurrence shall be considered a single Occurrence. All such Bodily Injury or Property Damage shall be deemed to take place on the date on which the earliest Bodily Injury or Property Damage happens.

All Damages and Claim Expenses sustained because of one or more Personal Injury, Advertising Injury and/or offense by any one person or organization shall be subject to the Limit of Liability stated in Item 5.A.2. of the Declarations as applicable to Each Person or Organization. All such Personal Injury or Advertising Injury shall be deemed to take place on the date on which the earliest Personal Injury or Advertising Injury happens.

DEFENSE, SETTLEMENTS AND CLAIM EXPENSES

The Company shall have the right and duty to defend and investigate any Claim to which Coverage A. and/or B. under this Coverage Part applies. The Company may make such investigation and settlement of any Claim as it deems expedient. Claim Expenses incurred in defending and investigating a Claim shall be a part of and shall not be in addition to the applicable Limits of Liability stated in Item 5.A. of the Declarations. Such Claim Expenses shall reduce the Limits of Liability and shall be applied against the Deductible. The Company shall have no obligation to pay any Damages or to defend or to continue to defend any Claim or to pay Claim Expenses for Claims after the applicable Limit or Limits of Liability stated in Item 5.A. of the Declarations have been exhausted.

CLAIM REPORTING PROVISION

The Insured shall give to the Company written notice as stated in Item 13. of the Declarations as soon as practicable of any Occurrence or offense that happens during the Policy Period which may give rise to a Claim against the Insured.

In the event suit is brought against the Insured, the Insured shall immediately forward to Markel Service, Incorporated, Ten Parkway North, Deerfield, Illinois, 60015, on behalf of the Company, every demand, notice, summons or other process received by him/her or by his/her representatives.

OTHER CONDITIONS

- A. **Prevention of Loss:** In the event of an Occurrence or an offense involving the products, goods, operations or premises covered by this Coverage Part, the Insured shall promptly, at his/her expense, take all reasonable steps to prevent other Bodily Injury, Property Damage, Personal Injury or Advertising Injury from arising out of the same or similar conditions.
- B. **Other Insurance:** With respect to Coverages A. and B., this insurance shall be in excess of the applicable Deductible stated in Item 6.A. of the Declarations and any other valid and collectible insurance available to the Insured whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this Coverage Part.
- C. **Inspection:** Any of the Company's authorized representatives shall have the right and opportunity, whenever the Company so desires, to inspect at any reasonable time the Insured's products, goods, operations and premises, but the Company assumes no responsibility or duty by reason of such inspection or the omission thereof. The Insured agrees to provide appropriate personnel to assist the Company's representatives during such inspection without cost to the Company.
- D. **Reporting of Changes in Products, Goods, Operations and Premises:** The premium charged for this Coverage Part is based on those products, goods, operations and premises identified in the underwriting information submitted to the Company on behalf of the Insured at the time of policy inception. The Insured shall report promptly to the Company any changes in those products, goods, operations or premises as described below, and the Company shall have the right to adjust the

premium and/or Deductible(s) for such changes, based on its sole assessment of the additional exposure(s) presented.

Changes to report:

1. any changes to manufacturing or servicing premises requiring structural alterations, or acquisition of additional manufacturing or servicing premises;
2. any changes in manufacturing or servicing operations which is likely to result in an annual increase in payrolls of twenty-five percent (25%) or more;
3. any change in operations which are not accurately described by the description as specified in Item 4A. of the Declarations.

Specified Medical Professions Professional Liability Coverage Part – Claims Made Coverage

THIS COVERAGE PART PROVIDES CLAIMS MADE COVERAGE ONLY. PLEASE READ IT CAREFULLY.

THE INSURED

The unqualified word “Insured”, either in the singular or plural, means:

- A. the Named Insured specified in Item 1. of the Declarations;
- B. any principal, partner, officer, director, Employee, Volunteer Worker or any former principal, partner, officer, director, Employee, or Volunteer Worker of the Named Insured, solely while acting on behalf of the Named Insured and within the scope of his/her duties as such; provided, however, this insurance shall not apply to any Claim made against any Insured who is a physician, surgeon or dentist arising out of the rendering of or failure to render Professional Services in his/her capacity as a physician, surgeon or dentist;
- C. if the Named Insured specified in Item 1. of the Declarations is a limited liability company, any manager thereof or any past member thereof, solely while acting on behalf of the Named Insured and within the scope of their duties as manager of the limited liability company and any member thereof or any past member thereof, but only with respect to the conduct of the business of the limited liability company;
- D. any medical director solely while acting on behalf of the Named Insured and solely within the scope of his/her Administrative Duties as such; provided, however, this insurance shall not apply to any Claim made against any medical director who is a physician, surgeon or dentist arising out of the rendering of or failure to render Professional Services in his/her capacity as a physician, surgeon or dentist;
- E. any student enrolled in a training program in connection with the Named Insured’s Professional Services solely while acting within the scope of his/her duties as such and at the Named Insured’s direction;
- F. the heirs, executors, administrators, assigns and legal representatives of each Insured in the event of death, incapacity or bankruptcy of such Insured, but only while acting within the scope of their duties as such on behalf of the Named Insured or of the Insured’s estate.

INSURING AGREEMENT

The Company shall pay on behalf of the Insured all sums in excess of the Deductible amount stated in Item 6.B. of the Declarations, which the Insured shall become legally obligated to pay as Damages as a result of Claims first made against the Insured during the Policy Period or during the Extended Reporting Period, if exercised, and reported to the Company pursuant to the Section A., Claim Reporting Provision, for Professional Personal Injury to which this Coverage Part applies by reason of any act, error or omission in Professional Services rendered or that should have been rendered by the Insured or by any person for whose acts, errors or omissions the Insured is legally responsible, and arising out of the conduct of the Insured’s Professional Services provided:

- A. the act, error or omission happens during the Policy Period or on or after the Retroactive Date stated in Item 7. of the Declarations; and
- B. prior to the effective date of this policy the Insured had no knowledge of such act, error or omission or any fact, circumstance, situation or incident which may result in a Claim under this Coverage Part.

DEFINITIONS

- A. **Administrative Duties** means establishing medical protocol, serving on a standards review, peer review, or credentialing committee or similar professional board or committee of the Named Insured; provided, however, Administrative Duties shall not include:

1. rendering or failure to render to a patient, person or resident of a healthcare facility Professional Services by a medical director which results in Professional Personal Injury; or
 2. rendering or failure to render patient specific medical direction via telecommunications to other healthcare professionals.
- B. **Claim** means a demand received by the Insured for monetary damages or services and shall include the service of suit or institution of arbitration proceedings against the Insured.
- C. **Claim Expenses** means reasonable and necessary amounts incurred by the Company or by the Insured with the prior written consent of the Company in the defense of that portion of any Claim for which coverage is afforded under this Coverage Part, including costs of investigation, court costs, costs of bonds to release attachments and similar bonds, but without any obligation of the Company to apply for or furnish any such bonds, and costs of appeals; provided, however, that Claim Expenses shall not include: (1) salary, wages, overhead, or benefit expenses of or associated with Employees or officials of the Named Insured or employees or officials of the Company; or (2) salary, wages, administration, overhead, benefit expenses, or charges of any kind attributable to any in-house counsel or captive out-of-house counsel for the Named Insured or the Company.
- D. **Professional Personal Injury** means:
1. any bodily injury, mental injury, sickness, disease, emotional distress or mental anguish, including death resulting therefrom of any patient, person, or resident of a healthcare facility receiving Professional Services;
 2. false arrest, detention or imprisonment, or malicious prosecution except when inflicted by, at the direction of, or with the consent or acquiescence of the Insured who has predetermined to commit such act, or allowed such act to have been committed, without legal justification; or
 3. the publication or utterance of a libel or slander or a publication or an utterance in violation of a patient's right to professional confidence, except when published or uttered by, at the direction of, or with the consent or acquiescence of the Insured who has predetermined to commit such act, or allowed such act to have been committed, without legal justification.

THE EXCLUSIONS

This Coverage Part does not apply to:

- A. any Claim based upon or arising out of any dishonest, fraudulent, criminal, malicious or knowingly wrongful acts, errors or omissions intentionally committed by or at the direction of the Insured;
- B. liability arising out of the Insured's activities in his/her capacity as proprietor, superintendent, executive officer, director, partner, trustee or Employee of any hospital, sanitarium, clinic with bed-and-board facilities, laboratory, business enterprise, or any governmental body, sub-division or agency not named as an Insured under this policy unless such activities are disclosed in the application and listed in Item 11. of the Declarations;
- C. any Claim based upon or arising out of any obligation of the Insured under any workers' compensation, unemployment compensation or disability benefits law or under any similar law;
- D. Professional Personal Injury to, or sickness, disease or death of any Employee of the Insured arising out of, and in the course of his/her employment by the Insured;
- E. any Claim based upon or arising out of any liability assumed by the Insured in a contract or agreement; provided, however, this exclusion shall not apply to liability an Insured would have in the absence of the contract or agreement;
- F. any Claim based upon or arising out of any unlawful discrimination by any Insured;
- G. injury arising out of the performance of a criminal act or caused by a person while under the influence of intoxicants or narcotics;

- H. liability arising out of the ownership, maintenance, operation, use, loading or unloading of any vehicle, watercraft or aircraft;
- I. any Claim based upon or arising out of any sexual act, including without limitation sexual intimacy (even if consensual), sexual contact, sexual advances, requests for sexual favors, sexual molestation, sexual assault, sexual abuse, sexual harassment, sexual exploitation or other verbal or physical conduct of a sexual nature; provided, however, the Company shall defend the Named Insured for such a Claim for the strictly vicarious liability of the Named Insured, unless a manager, supervisor, officer, director, trustee or partner of the Named Insured:
 - 1. knew or should have known about the sexual act allegedly committed by the Insured but failed to prevent or stop it; or
 - 2. knew or should have known that the Insured who allegedly committed the sexual act had a prior history of such sexual misconduct act;

The Company shall not pay Damages on behalf of the Named Insured for such a Claim.

- J. any Claim arising out of general liability or products liability;
- K. any Claim made against the Insured:
 - 1. by any person or organization or its subrogee, assignee, contractor, subcontractor, or parent company, subsidiary, division or affiliated company which was or is operated, managed, owned or otherwise controlled, whether directly or indirectly, or in whole or in part, by an Insured or parent company or any subsidiary, division or affiliated organization; or
 - 2. by or on behalf of any Insured under this policy; provided, however, this exclusion shall not apply to any Claim made against any Insured arising out of the rendering of or failure to render Professional Services by the Insured or by any person for whose acts, errors or omissions the Insured is legally responsible, if such Insured is a patient or client of the Insured;
- L. any Claim based upon or arising out of any employment dispute;
- M. any Claim based upon or arising out of a warranty or guarantee of cure or success of treatment which is alleged to have arisen out of advertisement;
- N. any Claim based upon or arising out of the dispensing of or the use of any drug or device whose approval for use was withdrawn by the Food and Drug Administration (FDA) at the time such drug or device was used or dispensed;
- O. any Claim based upon or arising out of any actual or alleged violations of the Employee Retirement Income Security Act of 1974 (ERISA) and its amendments or any regulation or order issued pursuant thereto or any similar federal, state or local law;
- P. any Claim based upon or arising out of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C., Section 1961, et seq.;
- Q. any Claim based upon or arising out of any allegations of price fixing, unfair competition or trade practices; a dispute over fees, income or revenue; the inducement to enter into, the interference with or the dissolution or termination of any business or economic relationship, or violations of any federal, state or local law (including but not limited to Title 15 of the United States Code or any similar state statute) that prohibits the unlawful restraint of trade, business or profession;
- R. any administrative or judicial hearings pertaining to Medicare/Medicaid fraud or any other hearing initiated against an Insured by the United States Department of Health & Human Services (HHS) or by an utilization or quality review organization under contract with HHS; provided, however, this exclusion shall not apply to HHS proceedings that allege the violation of the Emergency Medical Treatment and Labor Act; or
- S. any Claim brought under any other Coverage Part of this policy.

LIMITS OF LIABILITY

- A. **Limit of Liability-Each Claim:** The total liability of the Company for the combined total of Damages and Claim Expenses for each Claim first made during the Policy Period or the Extended Reporting Period, if exercised, shall not exceed the Limit of Liability stated in Item 5.B. of the Declarations as applicable to Each Claim.
- B. **Limit of Liability - Aggregate:** Subject to the above Limits of Liability A., the total liability of the Company shall not exceed the Aggregate Limit of Liability as stated in Item 5.B. of the Declarations for all Damages and Claim Expenses arising out of all Claims first made during the Policy Period and the Extended Reporting Period, if exercised.
- C. **Limit of Liability - Reduction for Refusal to Settle:** The Company shall not settle any Claim without the consent of the Insured. If, however, the Insured is a partnership, professional association, professional corporation or limited liability company, the written consent of an Insured who was formerly but is no longer a member of the partnership, professional association or limited liability company or director, officer, stockholder or Employee of a professional corporation will not be required, provided the written consent of the corporate directors, officers, stockholders or Employees of a professional corporation, or their duly appointed representatives, has been obtained. If, however, the Insured shall refuse to consent to any settlement recommended by the Company and shall elect to contest the Claim or continue any legal proceedings in connection with such Claim, then the Company's liability for the Claim shall not exceed the amount for which the Claim could have been so settled including Claim Expenses incurred up to the date of such refusal. Such amounts are subject to the provisions of the above Limits of Liability A. and B.
- D. **Deductible:** The Deductible amount stated in Item 6.B. of the Declarations shall be paid by the Named Insured and shall be applicable to each Claim and shall include Damages and Claim Expenses, whether or not Damages payments are made.

Such amounts shall, upon written demand by the Company, be paid by the Named Insured within ten (10) days. The total payments requested from the Named Insured in respect of each Claim shall not exceed the Deductible amount stated in Item 6.B. of the Declarations. Solely for the purpose of determining the Company's limit of liability, the Deductible amount shall be deemed to be applied first to the Damages.

The determination of the Company as to the reasonableness of the Claim Expenses shall be conclusive on the Named Insured.

- E. **Multiple Insureds, Claims and Claimants:** The inclusion herein of more than one Insured in any Claim or suit or the making of Claims or the bringing of suits by more than one person or organization shall not operate to increase the Limits of Liability stated in Item 5.B. of the Declarations. More than one Claim arising out of a single act, error or omission or a series of related acts, errors or omissions shall be considered a single Claim. All such Claims, whenever made, shall be treated as a single Claim. Such single Claim, whenever made, shall be deemed to be first made on the date on which the earliest Claim arising out of such act, error or omission is made or with regard to notice given to and accepted by the Company pursuant to Section Claims B., Discovery Clause, on the date within the Policy Period on which such notice of potential Claim is first received by the Company.

DEFENSE, SETTLEMENTS AND CLAIM EXPENSES

The Company shall have the right and duty to defend and investigate any Claim to which coverage under this Coverage Part applies. Subject to Section Limits of Liability C., the Company may make such investigation and settlement of any Claim as it deems expedient. Claim Expenses incurred in defending and investigating a Claim shall be a part of and shall not be in addition to the applicable Limits of Liability stated in Item 5.B. of the Declarations. Such Claim Expenses shall reduce the Limits of Liability and shall be applied against the Deductible. The Company shall have no obligation to pay any Damages or to defend or to continue to defend any Claim or to pay Claim Expenses for Claims after the applicable Limit or Limits of Liability stated in Item 5.B. of the Declarations have been exhausted.

CLAIMS

- A. **Claim Reporting Provision:** The Insured shall give to the Company written notice as stated in Item 13. of the Declarations as soon as practicable of any Claim first made against the Insured during the Policy Period or the Extended Reporting Period, if exercised.

In the event suit is brought against the Insured, the Insured shall immediately forward to Market Service, Incorporated, Ten Parkway North, Deerfield, Illinois, 60015, on behalf of the Company, every demand, notice, summons or other process received by him/her or by his/her representatives.

- B. **Discovery Clause:** If during the Policy Period, the Insured first becomes aware of a specific act, error or omission in Professional Services which may result in a Claim within the scope of the coverage for this Coverage Part, then the Insured may provide written notice as stated in Item 13. of the Declarations to the Company containing the information listed below. If such written notice is received by the Company during the Policy Period, then any Claim subsequently made against the Insured arising out of such act, error or omission in Professional Services shall be deemed for the purpose of this insurance to have been first made on the date on which such written notice is first received by the Company.

It is a condition precedent to the coverage afforded by this Discovery Clause that written notice be given to the Company containing the following information:

1. the description of the specific act, error or omission;
2. the date on which such act, error or omission took place;
3. the injury or damage which has or may result from such act, error or omission;
4. the identity of any injured persons; and
5. the circumstances by which the Insured first became aware of such act, error or omission.

EXTENDED REPORTING PERIOD

- A. If the Named Insured nonrenews this policy or cancels this policy pursuant to Common Policy Conditions, Section Other Conditions A., or if the Company nonrenews this policy or cancels this policy pursuant to Common Policy Conditions, Section Other Conditions A., Cancellation, for reasons other than nonpayment of premium or Deductible or non-compliance with the terms and conditions of this policy, then the Named Insured shall have the right upon payment of an additional premium calculated at the percentage stated in Item 10. of the Declarations of the annual deposit premium for the policy, subject to adjustment as per Common Policy Conditions, Section Other Conditions G. Premium and Audit, but in no event less than the percentage set forth in Item 10. of the Declarations of the annual minimum premium for the policy to extend the coverage granted under this Coverage Part, to Claims first made against the Insured during the period of months stated in Item 10. of the Declarations; as elected by the Named Insured, and reported to the Company pursuant to, Section Claims A., Claim Reporting Provision, following immediately upon the effective date of such cancellation or nonrenewal, for any act, error or omission in Professional Services rendered on or after the Retroactive Date and prior to the effective date of such cancellation or nonrenewal and which is otherwise covered by this policy. This period of months as elected by the Named Insured and described in this paragraph shall be referred to in this policy as the Extended Reporting Period.

If, however, this policy is immediately succeeded by similar claims made insurance coverage on which the Retroactive Date is the same as or earlier than that stated in the Item 7. of the Declarations, the succeeding insurance shall be deemed to be a renewal hereof and, in consequence, the Named Insured shall have no right to purchase an Extended Reporting Period.

The quotation of a different premium and/or Deductible and/or Limit of Liability for renewal does not constitute a cancellation or refusal to renew for the purpose of this provision.

This Extended Reporting Period shall not be available when any Insured's license or right to practice his/her profession is revoked, suspended or surrendered.

- B. As a condition precedent to the right to purchase the Extended Reporting Period, the Named Insured must have paid: (1) all Deductibles when due; (2) all premiums due for the Policy Period; and (3) all premium due on any other policy(ies) issued by the Company or any of its affiliated companies in an uninterrupted series of policies of which this policy is a renewal or replacement must have been paid.

The right to purchase the Extended Reporting Period shall terminate unless a written notice as stated in Item 13. of the Declarations of such election for the Extended Reporting Period is received by the Company within thirty (30) days after the effective date of cancellation or nonrenewal together with payment of the additional deposit premium for the Extended Reporting Period. If such written notice of election and payment of additional premium are not so received by the Company, there shall be no right to purchase the Extended Reporting Period at a later date.

- C. The Named Insured shall pay any additional premium that may be due as a result of audit, promptly when due.
- D. In the event of the purchase of the Extended Reporting Period the entire premium therefrom shall be fully earned at its commencement.
- E. The Extended Reporting Period shall not in any way increase the Limits of Liability stated in Item 5B. of the Declarations.

OTHER INSURANCE

This insurance shall be in excess of the Deductible stated in Item 6.B. of the Declarations and any other valid and collectible insurance available to the Insured whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as a specific excess insurance over the Limits of Liability provided in this Coverage Part.