

**GRANITE STATE INSURANCE COMPANY**  
2704 Commerce Drive, Suite B., Harrisburg, PA 17110  
**ADMINISTRATIVE OFFICES: 70 Pine Street, New York, NY 10270**  
(A Capital Stock Insurance Company)

**GENERAL HEALTHCARE PROVIDER PROFESSIONAL LIABILITY POLICY  
OCCURRENCE**

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

Throughout this Policy the words **you** and **your** refer to the Named Insured(s) shown in the Declarations and any other person(s) or organization(s) qualifying as a Named Insured under this Policy. The words **we, us** and **our** refer to the Company providing this insurance.

The word Insured means any person or organization qualifying under SECTION VI. WHO IS AN INSURED. Other words and phrases that appear in boldface have special meaning. Refer to SECTION IX. DEFINITIONS.

In consideration of the premium paid, and in reliance upon statements in your application, it is agreed as follows:

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**I. COVERAGES**

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**A. Professional Liability**

We shall pay those amounts **you** are legally obligated to pay to compensate others for damages resulting from an Insured's **wrongful act** or that of another for whom **you** are legally responsible. The **wrongful act** must arise solely out of the performance of **your professional services** as a **healthcare provider**. The **wrongful act** must take place within the Coverage Territory and during the **policy period**.

**B. Healthcare Provider Premises Liability**

We shall pay those amounts **you** are legally obligated to pay to compensate patients for damages sustained from **bodily injury** or **property damage** arising out of an **occurrence** on premises **you** principally use in **your professional services** as a **healthcare provider**. The **occurrence** must take place within the Coverage Territory and during the **policy period**.

**C. Personal Injury Liability**

We shall pay those amounts **you** are legally obligated to pay to compensate others for damages resulting from an Insured's **personal injury** offense or that of another for whom **you** are legally responsible to someone other than the Insured's patient. The **personal injury** offense must arise solely out of the performance of **your professional services** as a **healthcare provider**. The **personal injury** offense must take place within the Coverage Territory and during the **policy period**.

**D. Personal Liability**

We shall pay those amounts **you** are legally obligated to pay to compensate others for damages sustained from **bodily injury** or **property damage** arising out of an **occurrence**. The **occurrence** must take place within the Coverage Territory and during the **policy period**.

E. Good Samaritan Acts

We shall pay for those amounts **you** are legally obligated to pay to compensate others for damages sustained from **bodily injury** or **property damage** arising out of **your** rendering or failure to render **professional services** as a **healthcare provider** in a sudden, unforeseen and emergent situation for which no fee is expected, demanded or received. The **bodily injury** or **property damage** must take place within the Coverage Territory and during the **policy period**.

F. Assault Upon **You**

We shall pay for expenses **you** incur for **your bodily injury** and **your property damage** resulting from an assault upon **you** while performing **your professional services** as a **healthcare provider**. The assault must take place within the Coverage Territory and during the **policy period**.

G. First Aid

We shall pay for expenses **you** incur for first aid rendered to others as a result of **bodily injury** covered under this Policy. The first aid must be provided within the Coverage Territory, during the **policy period**, and within forty-eight (48) hours after the **bodily injury** occurs.

H. Medical Payments to Others

We shall pay for necessary medical expenses, regardless of fault, incurred or medically ascertained within 3 years from the date of an accident causing **bodily injury** to a patient. The **bodily injury** must arise out of an accident:

1. On premises **you** principally use in **your professional services** as a **healthcare provider**;
2. On ways immediately adjoining these premises; or
3. Because of a condition on these premises;

provided that:

1. The accident takes place within the Coverage Territory and during the **policy period**;
2. The expenses are incurred and reported to **us** within one year of the date of the accident or medical ascertainment; and
3. The injured person submits to examination, at **our** expense, by a physician(s) of **our** choice as often as **we** reasonably require.

I. Deposition Fees and Expenses When Not a Named Party to a **Claim** or **Suit**

We shall pay for reasonable fees, costs and expenses necessary to represent **you** at a deposition involving a covered **wrongful act**, for which **you** are required to attend but are not named as a party to the underlying **claim** or **suit**.

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## II. ADMINISTRATIVE HEARING PROVISION

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- A. We have the right and duty to defend the Insured and pay **administrative expenses** arising out of an **administrative hearing**, regardless if the basis for that **administrative hearing** is groundless, false, or fraudulent.

- B. Each **Administrative Hearing** Limit shall be the amount shown in the Declarations. Coverage for an **administrative hearing** shall cease when this limit is exhausted. The maximum amount of **administrative expenses** for **administrative hearings** shall be the Aggregate **Administrative Hearing** Limit as shown in the Declarations. Coverage shall cease when the Aggregate **Administrative Hearing** Limit has been exhausted by payments for **administrative expenses**. All **administrative hearings** arising from the same series of continuous, related, or repeated allegations shall be considered arising out of one allegation.
- C. We shall not pay for **administrative expenses** arising out of:
1. Any defense of **criminal prosecution**;
  2. Any circumstances or events of which **you** were aware, prior to the **policy period**, which **you** could have reasonably believed would result in an **administrative hearing**;
  3. Any legal matter other than an **administrative hearing**;
  4. Any application for initial placement on a medical staff;
  5. Any costs **you** incur, including but not limited to loss of earnings, with regard to an **administrative hearing** other than any cost **we** ask **you** to incur;
  6. Any defense of fraud or willful non-compliance allegations with regard to Medicare/Medicaid or any other insurance reimbursement regulations or procedures unless, in final adjudication, such allegations are found to be false or unfounded;
  7. Any legal action commenced by **you** including, but not limited to, an **administrative hearing**;
  8. Fines, penalties, punitive, exemplary, or multiplied damages; or
  9. Any **administrative hearing** arising out an Insured's capacity as a manager, administrator, director, officer, or committee member of a **utilization review** panel. This exclusion shall not apply to **your** capacity as a member of a formal accreditation or review board, professional society, or licensing board.

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### III. SEXUAL MISCONDUCT PROVISION

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- A. **Our** Limit of Insurance shall not exceed \$25,000 in the aggregate for all damages with respect to the total of all **claims** and **suits** against an Insured involving any actual or alleged erotic physical contact, or attempt thereat or proposal thereof:
1. By an Insured or another person for whom **you** may be legally liable; and
  2. With or to any former or current patient of an Insured, or with or to any relative or member of the same household as any said patient, or with or to any person with whom said patient or relative has an affectionate personal relationship.
- B. In the event that any of the foregoing are alleged at any time, either in a complaint, during discovery, at trial or otherwise, any and all causes of action alleged and arising out of the same or related courses of professional treatment and/or relationships shall be subject to the \$25,000 aggregate Limit of Insurance and shall be part of, and not in addition to, the Limits of Insurance otherwise afforded by this Policy.
- C. **We** shall not be obligated to undertake nor continue to defend any **suit** or proceeding subject to the \$25,000 aggregate Limit of Insurance after the \$25,000 aggregate Limit of Insurance has been exhausted.

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#### IV. DEFENSE COSTS, CHARGES, AND EXPENSES

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The following payments are in addition to the Limits of Insurance. These payments end after the applicable limit of insurance has been exhausted in paying judgments, settlements, or awards.

- A. We have the right and duty to defend at **our** expense any **suit** brought against an Insured for a covered **claim**, even if the **suit** is groundless or fraudulent. **Our** duty to defend any **suit** ends after the applicable limit of insurance has been exhausted by payment of judgments, awards, settlements and interest accruing thereon prior to entry of a judgment, issuance of an award or settlements.

We have the right to investigate any **claim** or **suit** and, with **your** written consent, settle any **claim** or **suit** if we believe that is proper.

- B. We shall pay, with respect to any **claim** or **suit** we defend:

1. All expenses we incur.
2. All costs taxed against **you** in the **suit**.
3. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
4. All reasonable expenses incurred by **you** at **our** request to assist **us** in the investigation or defense of the **claim** or **suit**. We shall also pay up to the Limit of Insurance shown on the Declarations for loss of earnings, if **you** are away from **your** employment as a **healthcare provider** at **our** request to help **us** defend a **suit**.
5. Premiums for appeal bonds, or bonds to release property used to secure a legal obligation, if required in a **suit** we defend. We shall only pay, however, for bonds valued up to the applicable limit of insurance. We have no obligation to appeal a **suit** we defend or to obtain these bonds.

These payments shall not reduce the Limits of Insurance.

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#### V. EXCLUSIONS

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This Policy shall not apply to any **claim** or **suit**:

- A. Arising out of an Insured's dishonest, fraudulent, criminal or malicious act, error or omission;
- B. Arising out of an Insured's ownership or operation of a hospital, clinic, or other facility or institution which provides overnight bed and board; or an Insured's ownership or operation of a laboratory or a pharmacy;
- C. Arising out of disputes about **your** fees, including collecting fees from third parties;
- D. Arising out of a **wrongful act** as a manager, administrator or as director/officer or committee members of a **utilization review** panel. This exclusion does not apply to **your wrongful acts** in **your** capacity as a member of a formal accreditation or review board, professional society or licensing board;
- E. Brought by any other person or organization covered under this Policy;
- F. Arising out of **discrimination** on any basis whatsoever;

- G. Arising out of a **wrongful act, occurrence, or personal injury** offense in which **you** expected or intended injury or damage, regardless of whether **you** intended the specific injury or damage sustained;
- H. Arising out of **bodily injury or property damage** in any way involving an **automobile**, watercraft or aircraft;
- I. Arising out of injury or damage to:
  - 1. **Your** employee or an independent contractor working for you; or
  - 2. The spouse or relative of such employee or independent contractor, as a consequence of injury or damage to the employee or independent contractor.

This exclusion applies:

- 1. Whether **you** are liable as an employer or in any other capacity; or
  - 2. To any obligation to share damages with or repay someone else who must pay damages because of the injury or damage.
- J. Arising out of any obligation under a workers' compensation, disability benefits, unemployment compensation law, or any similar law;
  - K. Arising out of **property damage** to:
    - 1. Property **you** own, rent, occupy or use;
    - 2. Property in **your** care, custody or control; or
    - 3. Premises **you** have sold, given away or abandoned.

**We shall, however, pay up to \$500 as part of, and not in addition to, the Limits of Insurance provided by this Policy for property damage to personal property of others in your care, custody or control while performing your professional services as a healthcare provider. We shall not pay for property damage to personal property of any Insured;**

- L. Arising out of any business relationship outside of **your** providing of healthcare services to any past or present patient or client;
- M. Arising out of liability **you** assume under any contract or agreement. This exclusion does not apply to liability **you** would have in the absence of the contract or agreement;
- N. Arising out of any **wrongful act(s)** committed with **your** knowledge that it was a **wrongful act**;
- O. Arising out of any **wrongful act** for any services for which **you** did not have a license required by law;
- P. Arising out of any **wrongful act** while an Insured was under the influence of a drug or intoxicant;
- Q. Arising out of any **wrongful act** in violation of applicable law;
- R. Arising out of:
  - 1. The actual, alleged, or threatened, discharge, dispersal, seepage, migration, release, or escape of **pollutants**;

2. Any direction, request, demand, order or statutory or regulatory requirement to test for, monitor, investigate, cleanup, remove, contain, treat, detoxify, or neutralize **pollutants** or in any way respond to or assess the effects of **pollutants**; or
  3. Any cost, charge, expense or request for reimbursement arising out of 1. or 2. above.
- S. Arising out of fines, penalties, punitive, exemplary or multiplied damages. If permitted by law, however, **we** shall pay up to \$25,000 in punitive, exemplary or multiplied damages as part of, and not in addition to, the Limits of Insurance provided by this Policy;
- T. Brought under more than one coverage set forth in this Policy;
- U. Arising out of the administration of anesthesia. This exclusion shall not apply to the administering of nitrous oxide or local anesthesia under the direction of a supervising dentist, where permitted by law.
- V. Arising out of the use of x-ray, radium or any other radioactive substances for treatment with the exception of x-ray for diagnostic purposes, unless administered under the direction of a supervising physician;
- W. Arising out of services provided by a nurse midwife or nurse anesthetist;
- X. Arising out of the performance of any **professional services**, business, or profession other than those listed on the Declarations;
- Y. 1. Arising out of **bodily injury** or **property damage** for which any covered person under this Policy is covered under a nuclear energy liability policy issued by a group such as one of the following:
- a. The Nuclear Energy Liability Underwriters; or
  - b. The Mutual Atomic Energy Liability Underwriters; or
  - c. The Nuclear Insurance Association of Canada. Nor will **we** cover **bodily injury** or **property damage** that would have been covered by a policy issued by one of those groups if its limits of insurance had not been exhausted.
2. For medical expenses that result from the **hazardous properties** of **nuclear material** related to the operation of a **nuclear facility** by anyone. Nor will **we** cover **bodily injury** or **property damage** that results from the **hazardous properties** of **nuclear material** in any of the following:
- a. Any covered person is required by law to maintain financial protection for nuclear events, or is entitled, or would have been entitled had this Policy not been issued, to indemnify for nuclear events from the United States Government;
  - b. The **nuclear material** is located at, or at any time discharges from, any **nuclear facility** that is owned or operated by any protected person. Nor will **we** cover such **bodily injury** or **property damage** if others operate the **nuclear facility** owned by any covered person;
  - c. The **nuclear material** is contained in **spent fuel** or waste that any protected person, or someone acting for them, has at any time possessed, transported or disposed of; or
  - d. The **bodily injury** or **property damage** results from services or materials any covered person furnishes in connection with the planning, construction, maintenance, operation or use of a

**nuclear facility.** If the **nuclear facility** is in the United States of America, its territories or possessions, or Canada, this paragraph shall only apply to **property damage** to the facility and any property at its site.

**Property damage** includes all forms of radioactive contamination of property.

Z. Arising out of **wrongful acts** due to war, whether or not declared, or any act or condition incidental to war. War includes civil war, insurrection, rebellion, revolution, or terrorism.

AA. Arising out any care exceeding the time period for **postpartum** care; or

BB. Arising out of **prenatal care** exceeding the time period of 180 days from the expected date of delivery as stated by a licensed physician or a licensed midwife.

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## VI. WHO IS AN INSURED

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The following are Insureds:

1. **You.**
2. **You** as an individual designated in Item 1(a) of the Declarations and **your** spouse are Insureds, but only with respect to the conduct of **your professional services** of which **you** are the sole proprietor.
3. The partnership or corporation designated as the Named Insured in Item 1(a) of the Declarations is an Insured. The partners, executive officers, directors or stockholders are also Insureds, but only with respect to the conduct of a partnership or corporation of **your professional services** named in the Declarations.
4. Any individual, partnership or corporation designated in Item 1(b) of the Declarations is an Insured, but only as to liability for which a Named Insured may be liable.
5. A student **healthcare provider** specified on the Declarations as the Named Insured in Item 1(a), but only with respect to the conduct of providing healthcare services for which he/she is enrolled in and for which he/she is under the supervision of an accredited or licensed training program.

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## VII. LIMITS OF INSURANCE

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A. The limits shown in the Declarations to this Policy and the information contained in this section fix the most **we** will pay regardless of the number of:

1. Persons or organizations covered;
2. Claimants, **claims** made or **suits** brought; or
3. Coverages under this Policy which may be applicable.

B.1. Each **Wrongful Act, Occurrence, or Personal Injury** Offense Limit is the most **we** shall pay for all injury or damage arising out of a single **wrongful act, occurrence or personal injury** offense for Coverages A. Professional Liability, B. **Healthcare Provider** Premises Liability, C. **Personal Injury** Liability, D. Personal Liability, and E. Good Samaritan Acts.

2. Each **Wrongful Act, Occurrence, or Personal Injury** Offense Limit shall apply:

- a. Separately to each individual specifically designated as the Named Insured on the Declarations;
  - b. Separately to the partnership, association, corporation, or other entity specifically designated as the Named Insured, including any of the Named Insured's personnel, but only while acting in his/her occupational capacity; and
  - c. Regardless of the number of persons or organizations who are covered under this Policy.
- C. The Per Person Medical Payments Limit is the most **we** shall pay under Coverage H. Medical Payments to Others for all medical expenses arising out of **bodily injury** sustained by any one person.
- D. Each Aggregate Limit specified in the Declarations for a specific coverage, if applicable, is the most **we** shall pay for all injury or damage under this Policy for that specific coverage. Each Aggregate Limit(s) shall apply:
- 1. To each annual **policy period**;
  - 2. Separately to each individual specifically designated as the Named Insured on the Declarations;
  - 3. As a shared liability for the partnership, association, corporation, or other entity specifically designated as Named Insured, including any of the Named Insured's personnel, but only while acting in his/her occupational capacity; and
  - 4. Regardless of the number of persons or organizations who are covered under this Policy.
- E. All **claims** arising from continuous, repeated or related **wrongful acts, occurrences, or personal injury** offenses shall be treated as one **wrongful act, occurrence, or personal injury** offense.

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## VIII. DEDUCTIBLE

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**You** will be responsible for the deductible amount shown in the Declarations and **you** may not insure against it. The deductible applies to each **wrongful act, occurrence or personal injury** for Coverages A. Professional Liability, B. **Healthcare Provider** Premises Liability, C. **Personal Injury** Liability, D. Personal Liability, and E. Good Samaritan Acts. All **claims** arising from a **wrongful act, occurrence or personal injury** offense or continuous, repeated or related **wrongful acts, occurrences or personal injury** offenses shall be subject to one deductible. **We** may pay all or a part of the deductible to defend or settle a **claim**. **You** agree to repay **us** promptly after **we** notify **you** of the payment.

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## IX. DEFINITIONS

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- A. **Administrative expenses** mean any reasonable expenses incurred pursuant to an **administrative hearing** for attorney's fees for legal services rendered, including but not limited to, pre-hearing discovery and investigation costs, and charges for attorney's general services.
- B. **Administrative hearing(s)** means a disciplinary proceeding against an Insured arising solely out of the performance of **your professional services** as a **healthcare provider**, and shall be limited to the following:
- 1. Any proceeding **initiated** by a licensing authority of **your** jurisdiction against an Insured for unprofessional conduct;

2. Any proceeding **initiated** by a State Department of Health Services or the Federal Department of Health and Human Services alleging that an Insured has performed **professional services** as a **healthcare provider** in excess of or in violation of guidelines for appropriate utilization of these services; or
  3. Any proceeding **initiated** by a licensed or certified hospital.
- C. **Automobile** means a land vehicle, self-propelled or not, a trailer or a semitrailer. This includes any machinery or apparatus attached, whether or not subject to motor vehicle registration or designed for use principally on public roads.
- D. **Biomedical waste** means a biological agent or condition that includes, but is not limited to, an infectious organism or unsafe laboratory condition that may cause or result in **bodily injury** or **property damage**.
- E. **Bodily injury** means bodily harm, sickness or disease, including death resulting therefrom.
- F. **Claim(s)** means a demand for money.
- G. **Criminal prosecution** means any governmental enforcement of criminal laws, including offenses or convictions which could result in imprisonment.
- H. **Discrimination** means any intentional violation of any law, whether statutory or common law which prohibits disparate treatment based upon, but not limited to, race, color, religion, national origin, age, handicap or disability, sex, or sexual orientation.
- I. **Hazardous properties** include radioactive, toxic, or explosive properties.
- J. **Healthcare provider** means the healthcare professional named on the Declarations as the Named Insured.
- K. **Initiated** means the commencement of an **administrative hearing** at the time written notice is received by the Insured.
- L. **Nuclear material** means source material, special nuclear material or by-product material as defined under the Federal Atomic Energy Act.
- M. **Nuclear facility(ies)** refers to any of the following:
1. **Nuclear reactors;**
  2. Enrichment plants;
  3. Fuel or **spent fuel** handling or processing plants;
  4. A location prepared or used for handling, storing or disposing of **nuclear waste**; or
  5. A location containing more than 25 grams of plutonium or uranium 233 combined, or more than 250 grams of uranium 235.
- N. **Nuclear reactor** means anything that can be used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- O. **Nuclear waste** means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of a **nuclear facility** included within the definition of

**nuclear facility. Nuclear waste** does not include tailings or other wastes from the processing of ore to extract or concentrate uranium or thorium to produce source material.

P. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same conditions, resulting in unexpected and unintended **bodily injury** or **property damage**. **Occurrence** does not include the rendering of or failure to render any **professional services**, nor does it include defamation.

Q. **Personal injury** means injury, other than **bodily injury**, arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. Wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room dwelling or premises that a person occupies, by or on behalf of its owner, landlord or lessor;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
5. Oral or written publication of material that violates a person's right of privacy.

R. **Policy period** means the period commencing on the effective date shown in the Declarations. This period ends on the earlier of the expiration date or the effective date of cancellation of this Policy. If **you** became an Insured under this Policy after the effective date, the **policy period** begins on the date **you** became an Insured.

S. **Pollutants** means any solid, liquid, gaseous, or thermal irritant or contaminant including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos containing materials, lead, lead containing materials and waste. Waste includes, but is not limited to, **biomedical waste, nuclear waste**, and materials to be recycled, reconditioned, or reclaimed.

T. **Postpartum** means the 180 day period beginning with:

1. The discharge of the natural mother and her newborn from the hospital after delivery; or
2. The discharge of the newborn from the hospital, if it is after the discharge of the natural mother or where the natural mother will not have custody of the newborn.

U. **Prenatal care** means care of the natural mother during the period of gestation.

V. **Professional services** means those services listed on the Declarations or any other services listed by endorsement for which **you** are licensed, where required by law, trained, and qualified

to perform in **your** capacity as a **healthcare provider**. **Professional services** include **your** services as an educator or as a member of a formal accreditation, standards review, or similar professional board or committee, including as a director or officer of such board or committee.

W. **Property damage** means (1) physical injury to, or destruction of, tangible property including the loss of use of it; or (2) loss of use of tangible property, which has not been physically injured or destroyed. **Property damage** includes all forms of radioactive contamination of property.

X. **Spent fuel** means any fuel element or component, whether solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.

Y. **Suit** means a civil proceeding in a court, and includes an arbitration proceeding.

Z. **Utilization review** means the review of the necessity, appropriateness, cost, type or utilization of healthcare services made without patient contact.

AA. **We, us, and our** refer to the Company providing this insurance.

BB. **Wrongful act** means any actual or alleged negligent act, error or omission in the performance of **professional services** as a **healthcare provider**.

CC. **You** and **your** means the Named Insured designated in the Declarations.

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## X. CONDITIONS

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### A. Coverage Territory

This Policy shall apply to **wrongful acts, occurrences, and personal injury** offenses anywhere in the world, provided the **claim** is made and **suit** is brought in the United States of America, its territories and possessions, Puerto Rico or Canada.

### B. Duties in the Event of a **Wrongful Act, Occurrence, Personal Injury** Offense, **Claim** or **Suit**

1. If, during the **policy period**, a **wrongful act, occurrence, or personal injury** offense takes place which **you** reasonably believe may give rise to a **claim** or **suit** for which coverage may be provided, **you** shall, during the **policy period**, give written notice to **us**. Such written notice shall contain:
  - a. How, when and where the alleged or suspected **wrongful act, occurrence or personal injury** offense took place;
  - b. Names and addresses of any witnesses and injured people; and
  - c. Nature and location of any injury or damage.
2. **You** must notify **us** in writing, or **our** authorized representative, of any **claim** or **suit** against **you** as soon as possible. **You** must:
  - a. Immediately record the specifics of the **claim** and the date **you** received it; and
  - b. Send **us** or **our** authorized representative copies of all demands, **suit** papers or other legal documents **you** receive, as soon as possible.

### C. Duties in the Event of an **Administrative Hearing**

1. **You** shall notify **us** as soon as practicable of any **administrative hearing**.
2. **You** shall notify **us** whether **you** have legal services available to **you** or require **us** to select an attorney for **you**.
3. **You** shall:
  - a. Send **us**, as soon as practicable, copies of any notices, summons, or legal papers received in connection with the **administrative hearing**;

- b. Furnish **us**, upon request, with records and other information and submit to an interview by **us** or **our** representative concerning the full extent of his/her knowledge of the events leading to the **administrative hearing**. **We** shall also be entitled to immediately receive upon request copies of any agency or departmental correspondence the Insured received relating to the **administrative hearing**, including specifically any correspondence which may have predated the date of application for coverage; and
- c. Cooperate and assist **us** with all reasonable requests in the handling of an **administrative hearing** including, but not limited to:
  - i. Attending depositions and hearings;
  - ii. Securing and giving evidence; and
  - iii. Obtaining the attendance of witnesses.

#### D. Appeals

All **administrative expenses** incurred with respect to appeals and proceedings, or a series of continuous or interrelated appeals and proceedings, arising out of an **administrative hearing** shall be considered as part of the original **administrative hearing**. Payments for all such **administrative expenses** shall not exceed the Aggregate **Administrative Hearing** Limit shown in the Declarations.

#### E. Representation at an **Administrative Hearing**

1. **We** shall pay **administrative expenses** in excess of any other coverage, no matter how those coverages are described, up to the Aggregate **Administrative Hearing** Limit, if:
  - a. **You** have legal services, other than those provided in this Policy, which have the right and duty to defend **you** at an **administrative hearing**; and
  - b. **You** have paid directly or indirectly for those legal services before the **administrative hearing** was **initiated**.
2. If **you** do not have these legal services, **we** shall have the right to select any attorney to represent **you** in the defense of an **administrative hearing**.

#### F. Action for Defamation and other Allegations

**We** shall pay for **administrative expenses** arising out of an **administrative hearing** where **bodily injury, property damage**, defamation, libel, slander, emotional distress, assault and battery, or matters which may be deemed uninsurable by the law are alleged, but only if in final

adjudication, such allegations are found to be false or unfounded. If **you** are found to be culpable of any of these allegations, **you** shall reimburse **us** for all **administrative expenses** arising out of that **administrative hearing**.

#### G. Assistance and Cooperation

**You** agree to cooperate with and help **us**:

1. Make settlements;
2. Enforce any legal rights **you** or **we** may have against anyone who may be liable to **you**;
3. Attend depositions, hearings and trials; and

4. Secure and give evidence, and obtain the attendance of witnesses.

**You** will not admit any liability, assume any financial obligation or pay out any money without **our** prior consent. If **you** do, it will be at **your** own expense.

#### H. Legal Action Against Us

No person or organization has a right under this Policy:

1. To join **us** as a party or otherwise bring **us** into a **suit** asking for damages from an Insured; or
2. To sue **us** on this Policy unless all of its terms have been fully complied with.

A person or organization may sue **us** to recover on an agreed settlement or on a final judgment against an Insured obtained after an actual trial; but **we** will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by **us**, the Insured and the claimant or the claimant's legal representative.

A person or organization may sue **us** to recover up to the limit of coverage under this Policy only after **your** liability has been decided by:

1. a trial, after which a judgement has been entered; or
2. a written agreement signed by **you, us** and the party making the **claim**.

**You** or **your** estate's bankruptcy does not relieve **us** of **our** obligations under the Policy.

#### I. Bankruptcy or Insolvency

**You** or **your** estate's bankruptcy or insolvency shall not relieve **us** of **our** obligations under this Policy.

#### J. Other Insurance

If there is other insurance, which applies to the loss covered under this Policy, the other insurance must pay first. This Policy applies to the amount of loss, which is more than:

1. The Limits of Insurance of the other insurance; and
2. The total of all deductibles and self-insured amounts under all such other insurance.

This clause does not affect Exclusion T. or the provisions of the Limits of Insurance section of this Policy.

#### K. Transfer of Rights of Recovery Against Others to Us

If the Insured has rights to recover all or part of any payment **we** have made under this Policy, those rights are transferred to **us**. The Insured shall do nothing to impair them. At **our** request, the Insured shall bring **suit** or transfer those rights to **us** and help **us** enforce them.

L. Changes

This Policy contains all the agreements between **you** and **us** concerning this insurance. The First Named Insured designated in the Declarations is authorized to make changes in this Policy with **our** consent. This Policy can only be changed by a written endorsement **we** issue and make a part of this Policy.

M. Transfer of **Your** Rights and Duties under this Policy

**Your** rights and duties under this Policy may not be assigned or transferred without **our** written consent attached to the Policy.

If **you** die or are declared legally incompetent, **your** rights and duties will be transferred to **your** legal representative, but only while acting within the scope of his or her duties as such.

N. Special Rights and Duties of First Named Insured

If there is more than one person or entity covered under this Policy, the First Named Insured in the Declarations shall act on behalf of all Insureds as to:

1. Giving and receiving notice of cancellation;
2. Payment of premiums and receipt of return premiums;
3. Acceptance of any endorsements to this Policy; or
4. Purchasing or deciding not to purchase the Prior Acts Coverage Endorsement, if applicable.

O. Other Member Companies of the American International Group, Inc. Policies

1. **We** or other member companies of American International Group, Inc. may issue two or more insurance policies. These policies may provide coverage for:
  - a. **Claims or suits** arising from the same or related **bodily injury, property damage, personal injury, or wrongful acts**; or
  - b. Persons or organizations covered in those policies that are jointly and severally liable.
2. In such a case, **we** will not be liable under this Policy for an amount greater than the proportion of the loss that this Policy's applicable limit of coverage bears to the total applicable limits of insurance under all such policies.

In addition, the total amount payable under all such policies is the highest applicable limit of coverage among all such policies.

P. Titles of Paragraphs

Titles of paragraphs are inserted solely for convenience of reference and shall not be deemed to limit, expand, or otherwise affect the provisions to which they relate.

Q. Conformance to Statute

To the extent a term of this Policy conflicts with a statute of the State within which this Policy is issued, the term shall be deemed amended so as to conform to minimum requirements of the statute.

R. Representations

By accepting this Policy, **you** agree that:

1. The statements in the Declarations and/or Application are accurate and complete;
2. Those statements are based upon **your** representations made to **us**; and
3. **We** have issued this Policy in reliance upon truth of those representations. This Policy includes all of the agreements between **you** and **us** or **our** authorized agents concerning this insurance.

S. Cancellation

This Policy may be canceled by **you** by surrendering to **us** or any of **our** authorized agents or by mailing to **us** written notice stating when thereafter the cancellation shall be effective. This Policy may be canceled by **us** by mailing to **you** at the address shown in this Policy, written notice stating when, not less than 60 days thereafter such cancellation shall be effective. However, if **we** cancel this Policy because **you** have failed to pay a premium when due, this Policy may be canceled by **us** by mailing a written notice of cancellation to the Insured at the address shown in this Policy stating when, not less than 10 days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice.

The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **policy period**. Delivery of such written notice either by **you** or by **us** shall be equivalent to mailing. If **you** cancel, the unearned premium shall be computed in accordance with the customary short rate table and procedure. If **we** cancel, the unearned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this Policy.



Secretary



President

This Policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the policy.

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Authorized Representative