

PROFESSIONAL LIABILITY PROTECTION - CLAIMS-MADE

This agreement provides protection against professional liability claims which might be brought against you in a professional practice.

Important note: This is a claims-made coverage. Please read it carefully, especially the “When A Claim Is Covered” section.

What This Agreement Covers

Liability. We'll pay amounts you or others protected under this agreement are legally required to pay as damages for covered professional liability claims. To be covered, claims must be based on events that arise out of the profession named in the Coverage Summary.

Additional Benefits. All of the following benefits are in addition to the limits of coverage. However, we won't defend a suit or pay a claim after the limit of coverage that applies has been used up in paying judgments or settlements.

Defending lawsuits. We'll defend any suit brought against any protected person for covered claims, even if the suit is groundless or fraudulent. We have the right to investigate, negotiate and settle any suit or claim if we believe that is proper. We'll pay all costs of defending the suit, including interest on that part of any judgment that doesn't exceed the limit of coverage.

Legal Bonds. We'll pay premiums for appeal bonds, or bonds to release property that's being used to secure a legal obligation, that are required in a

suit we defend. However, we'll only pay for bonds valued up to the limit of coverage that applies and we have no obligation to apply for or furnish these bonds.

Expenses related to defense. We'll also pay all reasonable costs that any protected person incurs at our request while helping us investigate or defend a claim or suit. This includes up to \$200 per day for earnings you actually lose.

What This Agreement Does Not Cover

We will not defend or pay under this agreement for:

Injury to an employee of yours out of and in the course of their employment by you.

Any amounts you or your organization must pay under any unemployment or Workers Compensation, disability benefits, or similar law.

Any liability you assume under any contract or agreement. This exclusion does not apply to liability you assume in a contract with:

Health Maintenance Organizations;
Preferred Provider Organizations;
Independent Practice Associations;
or any similar organizations; but only with respect to professional services provided by you.

Injury or damage you expected or intended except as a result from the use of reasonable force to protect persons or property.

Any claim:
arising out of professional incidents which happened prior to the policy effective date; or
which on the effective date of this policy has been reported as a claim; is a pending claim or proceeding; or is a paid claim.

Any liability you have as a proprietor, superintendent, director, administrative or executive officer of any:
hospital, nursing home or sanitarium; or clinic with bed and board facilities; or laboratory or business.

This exclusion does not apply to your professional liability arising out of laboratory facilities:
you maintain for testing of your own patients; or
necessary to the practice of your specialty.

Any injury or damage resulting from an intentional tort or resulting from a willful violation of a statute, ordinance or regulation imposing criminal penalties.

Any fines, penalties, the return or withdrawal of fees' or government payments.

Any punitive damages.

Any claim arising out of actual or alleged involvement in any:
anti-trust law or violation; or
agreement or conspiracy to restrain trade,

Any claim made against you or any protected person for any act of sexual misconduct, sexual intimacy, sexual molestation or sexual assault.

Any claim arising out of the manufacturing, selling, distribution, disposing, altering or dispensing of any product by a protected person. But, this exclusion does not apply to the dispensing of pharmaceuticals or professional products to the protected person's own patients out of professional services rendered to the patient.

Any claims or injuries caused by the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

Any liability or injury:
with respect to which you are also an insured under a Nuclear Energy Liability Policy issued by:
Nuclear Energy Liability Association;
Mutual Atomic Energy Liability Underwriters; or
Nuclear Insurance Association of Canada, or
Would be an insured under any such policy if it had not terminated due to exhaustion of its limit of liability; or
resulting from the hazardous properties of nuclear material and with respect to which:
any entity is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any of its amendments, or you are, or had this policy not been issued would be, entitled to indemnity from the United States of America or any of its agencies, under any agreement entered into by the United States of America or any of its agencies with any entity;

resulting from the hazardous properties of nuclear material if the nuclear material:

is at any nuclear facility owned or operated by or on your behalf; or has been discharged or dispersed therefrom; or is contained in spent fuel or waste at anytime possessed, handled, used, processed, stored, transported or disposed of by or on your behalf; or if the claim or injury arises out of the furnishing by you of services, material, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility.

Any liability resulting from a claim presented during the extended reporting period if:

you have fully retired from the practice of the profession specified in the Coverage Summary; and you return to practice of the profession specified in the Coverage Summary without notifying us prior to your return.

Any liability for injuries or claims while you are on active duty in the United States Military Service or Reserve or any National Guard unit.

Who Is Protected Under This Agreement

Protected persons are people and organizations protected under this agreement.

Here's a list of protected persons and certain limitations on their protection;

each is protected separately. We explain how in the "Limits of Coverage" section.

Individual. If you are an individual shown in the Coverage Summary, you're protected against claims that result from:

- Professional services that you provided or should have provided.
- Professional services that were or should have been provided by anyone for whose acts you're legally responsible.
- Your service on a formal review board or any similar board or committee.

Organization. If you are an organization shown in the Coverage Summary, you're protected against claims that result from professional services that were or should have been provided by anyone for whose acts you're legally responsible. Furthermore your employees (other than interns, externs, residents, dentists, osteopathic physicians or medical doctors, chiropractors, podiatrists, optometrists; physician's assistants, nurse midwives, nurse anesthetists or practitioners) are protected persons while acting within the scope of their duties as your employee.

When A Claim Is Covered

We'll cover claims that result from the professional service you performed or should have performed after the retroactive date that applies. We must also be notified of the claim while this agreement is in effect.

When We'll Consider A Claim Made

We'll consider a claim is made on the date you first report an incident or injury to us or our agent. You must include the

following information:

- Date, time and place of the incident;
- What happened and what professional service you performed;
- Type of claim you anticipate;
- Name and address of injured party; and
- Name and address of any witness.

Limits Of Coverage

Two limits apply to the amount we'll pay for professional claims. These limits are shown in the Coverage Summary. The limits apply separately to each protected person and organization shown in the Coverage Summary.

Each person limit. This is the most we'll pay for all claims resulting from the injury or death of any one person. This limit will apply regardless of the number of protected persons covered under the organization as employees involved in an injury or death of any one person.

Total limit. This is the most we'll pay for all injuries that take place in a policy year. By policy year we mean each consecutive annual period of the policy. If no total limit is shown, the total limit is 3 times the each person limit.

Optional Reporting Endorsement

This agreement may end because one of us chooses to cancel it or the agreement is not renewed. If that happens, you have the right to buy an optional time extension to first report claims or suits that would have been covered by this agreement. This reporting period extension applies only when we issue a Reporting Endorsement and you have paid the additional premium when it was due.

A Reporting Endorsement will not change the ending date of this agreement. But it will cover claims or suits first made or brought during the reporting period extension that would have been covered under this agreement had the claim or suit been first made or brought before this agreement was canceled or not renewed.

However, we won't issue a Reporting Endorsement unless we receive your written request for it within 30 days after this agreement or a previous Reporting Endorsement for this agreement ends. Nor will it take effect unless the additional premium is paid when due. If we don't receive written notice and payment within this period, you may not exercise this right later.

The premium for a Reporting Endorsement which, when coverage ends, extends indefinitely the time to first report covered claims or suits, will be figured using rates and rules in effect at the time your most current policy period began. Once you have paid the additional premium, Reporting Endorsement may not be canceled and the entire premium is nonrefundable.

This reporting endorsement will cover:

- Injuries or deaths that occur after the retroactive date and before the date this agreement ends; and
- Claims that are first made or reported to us after the ending date of this agreement and before the reporting endorsement ends.

Death, disability or retirement. We'll provide the reporting endorsement at no cost:

- To your beneficiary if you die; or

- To you if you fully retire from the practice of your profession at any age and have been continuously insured with us for at least 5 years under a claims-made policy before you retire.

We'll also provide the reporting endorsement to you at no cost if you meet the following requirements for total disability:

- you must be totally and continuously disabled as a result of sickness or accidental bodily injury.
- A medical doctor - not yourself or a member of your immediate family - must certify that you're unable to perform the duties of your former occupation.

As soon as we receive proof of your death, retirement or total disability, we'll provide the reporting endorsement.

Other Insurance

A professional liability claim that's covered under this agreement may also be covered under other insurance. If it is, we'll pay that portion of the claim equal to our percentage of the total amount of insurance covering the claim. But we won't pay more than our limits of coverage.

GENERAL RULES

These rules apply to the entire policy unless you're notified otherwise.

INTRODUCTION

This policy protects against a variety of losses. There are also some restrictions. We've written this policy in plain, easy-to-understand English. We encourage you to read it carefully to determine what is and what is not covered, as well as the rights and duties of those protected.

In return for your premium, we'll provide the protection stated in this policy.

"We", "us", "our" and "ours" mean **First Professionals Insurance Company**.

The words "you", "your" and "yours" mean the insured named in the Coverage Summary.

Your policy is composed of General Rules, an explanation of What To Do If You Have A Loss, one or more Coverage Summaries, and one or more Insuring Agreements explaining your coverage. It may also include one or more endorsements. Endorsements are documents that change your policy. The Coverage Summary shows all the forms included when this policy begins.

Special Rights And Duties Of The First Named Insured

You agree that when more than one insured is named in the introduction, the first named insured has special rights and duties. These rights and duties are explained in the following General Rules:

- Premiums.
- Cancellation.
- Policy Changes.

Your Policy Period

Insuring agreements in this policy begin at 12:01 a.m., standard time, on the effective date. If this policy replaces policies ending at noon, rather than 12:01 a.m., coverage begins at noon when the old policy ends.

Insuring agreements added to this policy after its effective date begin on the effective date of the added agreement.

Coverage ends at 12:01 a.m., standard time, on the expiration date. If all or part of this policy is canceled for any reason before that date, that coverage will end at 12:01 a.m., standard time, on the cancellation date.

What To Do If You Have A Loss

If an accident or incident happens that may involve liability protection provided in this policy, you or any other protected person involved must:

- Notify the police if a law may have been broken.
- Tell us or our agent what happened as soon as possible. Do this even though no demand for damages has been made against you or any other protected person, but you or another protected person are aware of having done something that may later result in a demand for damages. This notice would include all of the following:

The time and place of the accident or incident;

The protected person involved;

The specific nature of the accident or incident including the type of demand for damages that may result; and the names and addresses of any witnesses and injured people.

Important Notice for Health Care Providers

If your policy includes one of our claims-made professional liability protection insurance agreements, you should also read the "When This Agreement Covers" section of that agreement. We won't consider a "Patient Incident Report," "Variance Report" or any other report made for loss prevention purposes to be your report of a claim. This applies even if you send it to us or one of our agents.

- Send us a copy of all written demands. Also send us a copy of all legal documents if someone starts a lawsuit (including Notice of Intent if applicable).
- Cooperate and assist us in securing and giving evidence, attending hearings and trials and obtaining the attendance of witnesses.
- Not assume any financial obligation or pay out any money without our consent. (But this does not apply to first aid given to others at the time of an accident.)

Premiums

We compute the premium you pay for this policy using information available at the time. So, all or part of your premium may be based on estimates. If estimates are used, we'll compute your actual premium when complete information is available at the end of the policy period. If it's more than you've paid, you'll owe us the difference. If it's less, we'll return the difference. But you won't pay less than any minimum annual premium agreed on. The first named insured is responsible for paying all premiums and will be the one to whom we'll pay any return premiums.

You must keep accurate records of the information we'll need to compute your premium. Your agent can explain the type of records we'll need. The first named insured agrees to send copies of these records at the end of each policy period - or any other time we request them.

Our Right To Inspect And Audit

You agree to let us inspect your property and business operations during normal business hours while this policy is in force. We're not, however, required to make inspections. Nor will we guarantee that your property or operations are safe, or that they conform to any laws, codes, standards or regulations. This rule also applies to any organization which makes insurance inspections, surveys, reports or recommendations for us.

You also agree to let us examine and audit your financial books and records that relate to this insurance at any time up to 3 years after this policy ends.

Policy Changes

This policy contains all the agreements between you and us concerning this insurance. The first named insured is authorized to make changes in this policy with our consent. This policy can only be changed by a written form included as part of the policy. This form must be signed by one of our authorized representatives.

We make changes in our standard insurance policy forms from time to time. These changes must conform to state law and are filed with insurance supervisory authorities for approval. While your coverage is in force we can make any change in the form of this policy that broadens or extends your coverage. If we do, and the change can be added to your policy without increasing the premium, you'll automatically get the benefit of the extended or broadened coverage on the day the change is effective in your state.

Assignment And Transfers

Neither you nor anyone else covered under this policy may assign or turn over your interest in it without our written consent attached to the policy.

However, there is one exception; if you are an individual named insured and you die, your rights and duties will be transferred to your legal representative; but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having temporary custody of your property will have your rights and duties concerning that property.

Cancellation

You may cancel this policy in whole or in part at any time.

How you may cancel. To cancel this policy or any of the insuring agreements, you must deliver the policy, or the part you want canceled, to us or to any of our authorized agents. If this isn't possible, notify us by mail and include the date you want the policy or individual insuring agreement canceled. You'll get a refund for the unused premium, less a charge for early cancellation.

How we may cancel this policy. If we cancel this policy, we'll mail or deliver a cancellation notice to the first named insured at least 60 days before coverage will end. We'll mail the notice 10 days before coverage will end if we're canceling for nonpayment of premium or loss of license. Any unused premium will be refunded to the first named insured as soon as possible. However, cancellation will be effective whether or not we've made or offered a refund.

Mailing the notice. Proof of mailing the cancellation or nonrenewal notice to the first named insured's last mailing address known to us will be considered proof you were notified.

Recovering Damages From A Third Party

Any person protected under this policy may be able to recover all or part of a loss from someone other than us. Because of this, each protected person must do all that's possible after a loss to preserve any right of recovery available. If we make a payment under this policy

that right of recovery will belong to us. If we recover more than we've paid, the excess will belong to the person who had the loss. But we'll deduct our recovery expenses first.

Fraud And Misrepresentation

This policy will not apply if you or any other protected person hide any important information from us, mislead us, or attempt to defraud or lie to us about any matter concerning this insurance - either before or after a loss. Of course, everyone makes mistakes. Unintentional errors or omissions won't affect your rights under this policy.

How State Law Affects This Policy

Any part of this policy that conflicts with state law is automatically changed to conform to the law.

Lawsuits Against Us

No one can sue us to recover under this policy unless all of its terms have been met.

If your policy includes liability insurance

No one can sue us on a liability claim until the amount of the protected person's liability has been finally decided either by a trial or by a written agreement signed by the protected person, by us and by the party making the claim. Once liability has been determined by judgment or by written agreement, the party making the claim may be able to recover under this policy, up to the limits of coverage that apply. But that party can't sue us directly or join us in a suit against the protected person until liability has been so determined.

If the protected person or his or her estate goes bankrupt or becomes insolvent, we'll still be obligated under this policy.

FLORIDA REQUIRED ENDORSEMENT

This endorsement changes your policy as follows:

Cancellation

The Cancellation section of the General Rules is replaced by the following.

You may cancel this policy in whole or in part at any time.

How you may cancel. To cancel this policy or any of the insuring agreements, you must deliver the policy, or the part you want cancelled, to us or to any of our authorized agents. If this isn't possible, notify us by mail and include the date you want the policy or individual insuring agreement cancelled. You'll get a refund for the unused premium, less a charge for early cancellation.

How we may cancel policies in effect 90 days or less. If your policy has been in effect 90 days or less, we may cancel for any reason during this period. If we do, we'll mail or deliver a notice of cancellation to the first named insured. The notice will show the reason for cancellation. We'll mail or deliver the notice at least 10 days before coverage will end if we cancel for nonpayment of premium, and 20 days before coverage will end if we cancel for any other reason. But we can cancel immediately without notice if there has been a material misrepresentation of fraud on your part, or if you don't comply with underwriting requirements that we have already established.

How we can cancel policies in effect more than 90 days. If your policy has been in effect more than 90 days, we can cancel only for the following reasons.

1. *Nonpayment of premium.*

2. *Fraud or Misrepresentation.* We can cancel if we discover that in obtaining this policy, you have committed fraud or made a material misrepresentation.

3. *Change in the risk.* We can cancel if a change occurs in the risks we're protecting that increases the hazard we're insuring against.

4. *Failure to comply with our underwriting requirements.* We may cancel if you fail to follow our underwriting requirements within 90 days of the date your coverage was effective.

5. *Cancellation of an entire class of insureds.* We may cancel this policy if the cancellation is for all persons or organizations for a given class or type.

Nonrenewal. We may decide not to renew or continue this policy. If so, we'll mail or deliver a notice of nonrenewal to the first named insured at least:

•90 days before the expiration date if your policy includes Medical Professional Liability Protection.

Special rule for medical professional liability.

If your policy includes Medical Professional Liability Protection, the following rule applies instead for how we can cancel. If we cancel this policy, we'll mail or deliver a cancellation notice to the first named insured at least 90 days before coverage will end. We'll mail the notice 10 days before coverage will end if we're canceling for nonpayment of premium or loss of license. Any unused premium will be refunded to the first named insured as soon as possible. However, cancellation will be effective whether or not we've made or offered a refund.

FLORIDA REQUIRED ENDORSEMENT(continued)

Mailing the notice. Proof of mailing the cancellation or nonrenewal notice to the first named insured's last mailing address known to us will be considered proof you were notified.

Special Provision For Medical Professional Liability

If your policy includes Medical Professional Liability Protection, the following provision applies.

If a notice of intent to file a claim is made, you agree to cooperate fully in the review process as required by Florida law.

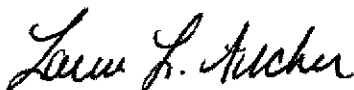
We have the right to admit liability and arbitrate, as Florida law calls for, and to settle a claim. But we'll only settle a claim up to the limit of coverage that applies.

The section, **What This Agreement Does Not Cover**, has been changed to add the following:

Injury resulting from discrimination based on, but not limited to, race, color, creed, sex, religion, age, national origin, handicap and/or sexual preference, whether or not for alleged violation of any federal, state or local governmental law or regulation prohibiting such discrimination.

Other Terms

All other terms of your policy remain the same



Laura L. Archer, Authorized Representative