

Office of the Sheriff

Paul D. Laney, Sheriff

October 31, 2016

Chad Peterson, Portfolio Commissioner
Cass County Commission
Cass County Courthouse
Fargo, ND 58103

Re: Jail Contracted Psychiatry Services

Agenda: Action Requested

Chairman Mary Scherling:

Earlier this summer, the Cass County Commission approved an agreement with Dr. Naveed Haider to provide supplemental psychiatry services at the jail. Dr. Haider was previously employed by Sanford Hospital, and provided these services through an agreement with Sanford through the end of 2015 when he left Sanford to work at the Fargo VA Hospital. In January 2016, we began receiving our psychiatric services from providers at Family Healthcare under our existing medical contract, but they, too, lost their psychiatric doctors in July, 2016 and no longer provide psychiatric services.

Dr. Haider agreed to come back as an independent contractor, contingent upon securing sufficient malpractice insurance since he would not be covered by his current full time employer for services provided at the jail. Dr. Haider has, so far, been unable to locate a malpractice insurance provider with a premium that makes financial sense for him based upon the amount of services that he would be providing at the jail.

I have enclosed a copy of the least expensive policy that Dr. Haider was quoted. Since we have been without a contracted psychiatrist for the entirety of 2016, we have spent none of the budgeted \$16,000.00 for this purpose (101-3510-422.33-01). The total cash premium quoted to Dr. Haider is \$5,443.63.

Psychiatry services are a vital need at the jail, and Dr. Haider is the only provider we have been able to identify that is willing to contract with the jail. Because we have funds available this year, there is capacity in the budget to pay for the next 12 months of malpractice insurance and receive psychiatric

Cass County Sheriff
Law Enforcement Center
1612 23 Ave. N.
PO Box 488
Fargo, ND 58107-0488
Phone: 701-241-5800
Fax: 701-241-5806

Cass County Sheriff
Courthouse
211 9 St. S.
PO Box 488
Fargo, ND 58107-0488
Phone: 701-241-5800
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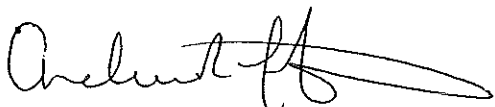
Cass County Jail
450 34 St. S.
Fargo, ND 58103
Phone: 701-271-2900
Fax: 701-271-2967

services for the remainder of November and all of December 2016. Next year's budget would then cover services through the malpractice policy period. We are asking the commission to approve payment of Dr. Haider's malpractice policy.

Suggested Motion: Move to authorize the purchase of malpractice insurance for Dr. Naveed Haider, in the amount of \$5,443.63, using funds already budgeted for consulting services at the Cass County Jail.

Should you have any questions, please contact our office.

Respectfully,

A handwritten signature in black ink, appearing to read "Andrew R. Frobig", with a long horizontal flourish extending to the right.

Captain Andrew R. Frobig
Corrections Division



October 25, 2016

Naveed Haider, M.D.
2101 North Elm Street
Fargo, ND 58102

Dear Dr. Haider:

I would like to take the opportunity to thank you for selecting our agency to service your professional liability. As a leader in the field, we pride ourselves on providing comprehensive coverage options and excellent service.

Premium consideration is required to bind your coverage in the form of a down payment if financing is desired or the full amount of the premium indicated in the enclosed Proposal for Medical Professional Liability.

Please make checks payable to: Gallagher Healthcare

Upon receipt we will process your certificate of coverage and begin policy issuance. Thank you for the opportunity to be of service. Please do not hesitate to call if you have any questions.

Sincerely,

Bryan Blasingame
Area Vice President

Enclosures



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™



Naveed Haider, M.D.

2101 North Elm Street
Fargo, ND 58102

PROPOSAL OF INSURANCE
Medical Malpractice

PRESENTED BY

Bryan Blasingame, Area Vice President

Arthur J. Gallagher Risk Management Services, Inc.
AJGRMS License Number: 36-2102482-01
8511 S. Sam Houston Pkwy. E., Ste. 200
Houston, TX 77075
Phone: 800.634.9513
Fax: 800.822.7030

www.GallagherMalpractice.com

October 25, 2016



Arthur J. Gallagher Risk Management Services, Inc.



Arthur J. Gallagher Risk Management Services, Inc.

Gallagher is one of the largest and fastest growing brokers and risk management service providers in the insurance industry. Since 1927, our company has been helping business and industry manage risk by performing the traditional insurance broker’s function of planning and placing insurance.

Basic to our success is a commitment to meeting each client’s particular needs. This commitment has enabled the company to grow from a two-person organization to our present ranking as the **one of the largest insurance brokers in North America and in the world.**

The expansion of our company into a nationwide organization has been dramatic. We were **true pioneers in the concept of risk management. We created the first self-insurance service organization,** which was set up to administer all lines of coverage - Property, Workers Compensation, Auto, General and Professional Liability. This followed our early recognition of the changing needs of Risk Managers and has been accelerated by a rapidly changing environment.

Today Gallagher has over 50 production offices throughout the U.S. Additionally, we have access to the important London Market through Arthur J. Gallagher – UK and the third market in Bermuda via Arthur J Gallagher Bermuda, Ltd.



Arthur J. Gallagher

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Service Team

Your service team consists of:

Name	Line Of Coverage	Title	Phone	Fax	E-Mail
Bryan Blasingame	Medical Malpractice	Area Vice President	(281) 674-1439	(281) 674-1479	Bryan_Blasingame@ajg.com
Lauren Gray	Medical Malpractice	Client Services Manager	(281) 674-1446	(281) 674-1486	Lauren_Gray@ajg.com





Premium Summary

Line of Coverage	Carrier (Expiring)	Premium (Expiring)	Taxes/Fees (Expiring)	Carrier (Proposed)	Premium	Taxes/Fees	Est. Cost (Proposed)	% Change	Dollar Change	Quote Valid To Date
Medical Malpractice	N/A – New Policy	\$0.00	\$0.00	Kinsale Insurance Company	\$5,000.00	\$443.63	\$5,443.63	0.0%	\$5,443.63	11/1/2016

Premium for the above policies are due and payable as billing in full or as insurance company installments. Premiums may be financed subject to acceptance by an approved finance company. Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required.

Gallagher is responsible for the placement of the following lines of coverage:
Medical Malpractice

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Bindable Quotations, Marketing Highlights & Compensation Disclosure Schedule

Obtaining a comprehensive and competitively priced program of insurance in the marketplace requires more than access to the market. Past experience and credibility with markets are the foundation of a successful campaign for your company. Complete and accurate submissions, with detailed specifications, are essential. Arthur J. Gallagher Risk Management Services made a complete and personal presentation to each company contacted.

Line	Carrier Name	Wholesaler, MGA or Intermediary Name (1)	Estimated Annual Premium (2)	"Comm % or Fee (3)"	Wholesaler, MGA or Intermediary % (4)	Fee	AJG Owned?
Medical Malpractice	Kinsale Insurance Company	Healthcare Professional Services, Inc.	\$5,000.00	10.0%	See below #4	\$0	No

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10 % of the policy premium. Please refer to the Contingent and Supplemental Commission Disclosure or contact your Gallagher representative for additional information.

1. We were able to obtain more advantageous terms and conditions for you through an intermediary/wholesaler.
2. If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.
*A verbal quotation was received from this carrier. We are awaiting a quotation in writing.
3. The commission rate is a percentage of annual premium excluding taxes & fees.
*Gallagher is receiving ___% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.
4. *The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.



Summary of Significant Changes

Below are the significant changes from the expiring policy's terms and conditions. This Highlight is only an outline of the changes compared to your current coverage since your last renewal. It does not include all of the changes in terms, coverages, exclusions, limitations and conditions. YOU MUST READ THE POLICY FOR THOSE DETAILS.

Line of Business	Coverage	Expiring	Proposed
Medical Malpractice	No Changes	Nothing to Compare	N/A

*IF THIS IS A NEW PLACEMENT AND THE CLIENT HAS NOT PROVIDED A COMPLETE COPY OF THE EXPIRING POLICY(IES) TO AJG, A FULL COMPARISON WITH THE PRIOR POLICY TERMS CANNOT BE MADE.





Coverage Highlights: Medical Malpractice

Coverage: Medical Malpractice
Carrier: Kinsale Insurance Company
Policy Period: Effective from 11/01/2016 to 11/01/2017 standard time at the address of the named insured.

The insurance company with which this coverage has been placed is not licensed by the State of North Carolina and is not subject to its supervision. In the event of the insolvency of the insurance company, losses under this policy will not be paid by any State insurance guaranty or solvency fund.

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

This policy is provided on a claims made basis subject to the retroactive and/or pending or Prior acts date. Should you elect to change carriers (if a new retro-active date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. Please refer to attached Policy Form for terms and conditions.

Form Type:

Coverage	Form Type	Retroactive Date
Medical Malpractice	Claims Made	11/01/2016

Medical Malpractice Descriptions:

Coverage Item	Description
Specialty	Psychiatry
Purchasing Group	N/A
Defense Cost	Inside Limits
Definition of a Claim	Refer to the attached policy form.
Incident or Claim Reporting Provision	Refer to the attached policy form.
Extended Reporting Period	Refer to the attached policy form.

Coverage:

Description	Limit Per Claim	Policy/Annual Aggregate
Medical Malpractice	\$1,000,000	\$3,000,000

Additional Coverages:

HIPAA Related Expense Reimbursement (\$0 Ded) \$25K
 Data Breach Expense Reimbursement (\$0 Ded) \$25K

Deductibles:

Type	Coverage	Amount
Deductible	Medical Malpractice	\$7,500.00 – Per Claim

Binding Requirements:

Binding Requirements

Arthur J. Gallagher Risk Management Services, Inc. must be in receipt of one of the following:
 a) Payment in full in the form of a check or wire transfer; OR
 b) An executed Premium Finance Agreement and check or wire transfer for the down payment.
 c) An accepted carrier payment plan.

All required affidavits if applicable.

This offer is conditioned upon no material change in the risk occurring between the date of this Proposal and the inception date of the proposed policy. In the event of such change in risk, the carrier may in its sole discretion, whether or not this offer has already been accepted by the Insured, modify and/or withdraw this offer.

Coverage is not effective until bound in writing by the carrier.

Contingencies:

This Quote is subject to our receipt and acceptance of the following items:

- 1) 5 years currently valued carrier loss runs
- 2) Five years of currently valued loss runs prior to binding





Other Terms and Conditions:

Condition

See attached policy form for exclusions and limitations of coverage.

Policy Terms and Conditions – please review policy for complete details

Consent to Settle w/ Limitation	Option 1
Deductible Applies to Indemnity and/or Claims Expenses	Included
\$25K Data Breach Expense Reimbursement	Included
Defense within the Limit	Included
\$25K HIPAA Related Expense Reimbursement	Included
No Punitive Damages	Included

Risk Management - please provide email address to activate this free service Inc

MPL2030 - Cass County Jail; 450 34th Street S, Fargo, ND 58103

MPL2027 - Nurse practitioners or Physicians Assistants unless specifically named by an endorsement to the policy.

THIS MAY INCLUDE ONE OR MORE COVERAGES FOR A CLAIMS MADE AND REPORTED POLICY. THE COVERAGE REQUIRES THAT A CLAIM MUST BE FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD AND BE REPORTED IN WRITING TO THE COMPANY WITHIN THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE. IF YOUR POLICY PERMITS REPORTING OF INCIDENTS, THEN INCIDENTS MUST BE REPORTED WITHIN THE POLICY PERIOD. PLEASE REFER TO SECTION V-ADDITIONAL TIME IN WHICH TO REPORT CLAIMS FIRST MADE AT THE END OF THE POLICY PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY.

Please note that this quote INCLUDES risk management services for no charge. Additional risk management services are also available for purchase - see brochure included or contact OmniSure for details. PLEASE PROVIDE YOUR EMAIL ADDRESS AT BINDING TO ACTIVATE THESE FREE RISK MANAGEMENT SERVICES.

Policy Form and Endorsements – Policy Forms & Endorsements correspond to the included Terms & Conditions of OPTION 1 (please consult with your underwriter should you need specimens of optional terms and conditions)

MPL1001-1115 - Declarations

Medical Professional Liability - Claims Made and Reported

ADF9013-0815 - Notice - Where To Report A Claim

ADF4001-0110 - Schedule of Forms

MPL0001-1115 - Medical Professional Liability Policy

MPL2027-0513 - Amendment - Designated Specialist(s) Who Are Not "Insureds"

MPL2030-1213 - Entity And Location Limitation

MPL2031-0214 - Non-Stacking Limitation

MPL2034-1015 - Endorsement - Part-Time Practice

MPL4001-0413 - Minimum Policy Premium

MPL4002-0515 - HIPAA Related Expense Reimbursement Endorsement

MPL4004-0515 - Data Breach Expense Reimbursement Endorsement

MPL3005-0110 - Exclusion- Obstetrics or Surgery

ADF9004-0110 - Signature Endorsement

ADF9009-0110 - U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders

All other exclusions and restrictions of the policy that are not addressed in this proposal will apply to coverage.

Named Insured List: Medical Malpractice

Insured	Specialty	Retro Date	Eff. Date	Limit Per Claim	Policy Aggregate
Naveed Haider, M.D.	Psychiatry	11/01/2016	11/1/2016	\$1,000,000	\$3,000,000

Note: Any entity not named in this proposal may not be an insured entity. This includes partnerships and joint ventures and trusts.

Estimated Annual Policy Premium: Medical Malpractice

Estimated Annual Policy Premium	Medical Malpractice
Premium, Taxes and Fees	\$5,000.00 Premium \$93.63 Surplus Lines Tax \$350.00 Policy Fee
ESTIMATED PROGRAM COST	\$5,443.63 Total
Minimum Earned Premium	Policy premium is subject to a minimum earned of twenty-five (25%) of the total premium.

Claim Reporting Procedures

See page 6 of the attached sample policy to review the claim reporting procedures. Claim Reporting Address: Kinsale Insurance Company, 6802 Paragon Place, Suite 120, Richmond, Virginia 23230



Insurance Carrier Ratings and Admitted Status

Proposed Carriers	A.M. Best's Rating	ADMITTED/NON-ADMITTED
Kinsale Insurance Company	A-, VIII	Surplus Not Admitted

If the above indicates coverage is placed with a non-admitted carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

The above A.M. Best Ratings was verified on the date the proposal document was created.

GUIDE TO BEST RATINGS

RATING LEVELS AND CATEGORIES

Level	Category	Level	Category	Level	Category
A++, A+	Superior	B, B-	Fair	D	Poor
A, A-	Excellent	C++, C+	Marginal	E	Under Regulatory Supervision
B++, B+	Very Good	C, C-	Weak	F	In Liquidation
				S	Rating Suspended

FINANCIAL SIZE CATEGORIES (FSC)

(in \$000 of reported Policyholders' Surplus plus Conditional Reserve Funds)

FSC I	Up to 1,000	FSC IX	250,000 to 500,000
FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
FSC III	2,000 to 5,000	FSC XI	750,000 to 1,000,000
FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
FSC VII	50,000 to 100,000	FSC XV	2,000,000 or more
FSC VIII	100,000 to 250,000		

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at <http://www.ambest.com/ratings/notice>.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

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Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.





GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Best's Financial Strength Ratings - Insurer

	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) that are publically placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies that are publicly placed in liquidation by a court of law or by a forced liquidation.
	S	Suspended	Assigned to rated companies when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.

Rating Modifiers

Modifier	Descriptor	Definition
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.
pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)
s	Syndicate	Indicates rating assigned to a Lloyd's syndicate.

Rating Outlooks

Indicates the potential direction of a Best's Financial Strength Rating that is in Under Review status based on information currently available.

Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.

Under Review Implications

Indicates the potential direction of a Best's Financial Strength Rating that is in Under Review status based on information currently available.

Positive	Indicates there is a reasonable likelihood the company's rating will be raised as a result of A.M. Best's analysis of a recent event.
Negative	Indicates there is a reasonable likelihood the company's rating will be lowered as a result of A.M. Best's analysis of a recent event.
Developing	Indicates there is uncertainty as to the final rating outcome, but there is a reasonable likelihood the company's rating will change as a result of A.M. Best's analysis of a recent event.

Not Rated Designation

NR: Assigned to companies that are not rated by A.M. Best

Rating Disclosure

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's Terms of Use at www.ambest.com.

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Version 102414





Important Disclosures

For more information on Gallagher's compensation arrangements, please visit www.ajg.com/compensation

The proposal is an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher & Co. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

TRIA/TRIPRA Disclaimer – If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by \$20 million each calendar year before the TRIPRA program responds from the 2015 trigger of \$100 million to \$200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Compensation Disclosure

One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional contingent compensation if underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company and/or through the intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in some commission rates. These additional commissions, commonly referred to as "supplemental commissions" are known as of the effective date, but some insurance companies are paying this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. Note: Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage.
3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.
4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility was utilized in the





placement of a client's account, the facility may have earned and retained customary brokerage commission or fees for its work.

5. Gallagher assists its customers in procuring premium finance quotes and unless prohibited by law may earn compensation for this value added service.
6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.
7. Gallagher strives to find appropriate coverage at a competitive price for our customers. In order to achieve these goals, we gather and analyze data about our customers and their insurance coverage. This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our customers. The data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please send an e-mail to Compensation_Complaints@ajg.com or send a letter to:

Compliance Officer
Arthur J. Gallagher & Co.
Two Pierce Place, 20th Floor
Itasca, IL 60143





Other Coverage Considerations

Gallagher Healthcare has partnered with multiple property and casualty carriers and we would like the opportunity to quote your other coverages listed below. These coverages listed in this section are not included in the coverage section of this proposal. The considerations summarized in this section are not intended to identify all exposures.

A proposal for any of the coverages can be provided if needed. If you are interested in some competitive quotations, please check the boxes below that you would like us to shop and return the signed proposal with your current proof of insurance.

- Business Owners Policy
- Fraud and Abuse / RAC Audit
- Workers Compensation
- Commercial Umbrella
- Cyber Liability
- Directors & Officers
- Provide no quotes at this time

If you would prefer to discuss these opportunities, please feel free to call me.

Changes and Developments

It is important that we be advised of any changes in your operations that may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

1. Addition of new medical employees such as nurses, physician assistants, etc.
2. Assumption of medical directorships.
3. Practice changes that may affect rating (i.e. changed from full time to part time or location)
4. Desire to adjust your current limits of liability.
5. Any new entities that have been formed over the past 12 months.
6. Changes in any operation such as expansion to another state, new products.
7. Mergers and/or acquisition of new companies.
8. Any newly assumed contractual liability, granting of indemnities, or hold harmless agreements.
9. Circumstances which may require an increased liability insurance limits.
10. Any changes in fire or theft protection, such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to same.
11. Immediate advice of any changes to scheduled equipment such as contractors' equipment, electronic data processing, etc.
12. Property, of yours that is in transit, unless we have previously arranged for the insurance.
13. Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased constructed, or occupied.

Signature

Date





Client Authorization to Bind Coverage

After careful consideration of Gallagher’s proposal dated October 25, 2016, we accept the following coverage(s). Please check the desired coverage(s):


Bind Coverage	Line of Coverage	Carrier	Est. Cost
<input checked="" type="checkbox"/> Accept <input type="checkbox"/> Reject	Medical Malpractice	Kinsale Insurance Company	\$5,443.63

Premiums for the authorized policies above are due and payable as billed, in full or as insurance company installments. Premiums may be financed, subject to acceptance by an approved finance company. Note: Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment, is required.

PROVIDE QUOTATIONS OR ADDITIONAL INFORMATION ON THE FOLLOWING COVERAGE CONSIDERATIONS

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages. We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

Limitation of Liability. We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed \$20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.


Agent Signature

Client Signature

October 25, 2016

Dated

Dated



To Waive Prior Acts Coverage

I, Haider, Naveed, acknowledge the need to purchase tail coverage (reporting endorsement) from my previous insurance carrier which insured me under a claims-made policy. I understand that my failure to purchase such tail coverage from my expiring insurance carrier will result in an uninsured exposure for any claims which may arise in the future as a result of professional services rendered by me between retro date on the expiring policy and expiration date of the expiring policy. I understand that the insurance policy I am purchasing with Kinsale Insurance Company, which has a policy inception and retroactive date of 11/01/2016, will not provide prior acts coverage.

Signature: Naveed Haider, M.D.

Date

Appendix A (Policy Specimen)



Kinsale Insurance Company

QUOTE

RE: Naveed Haider MD
2101 North Elm Street
Fargo, ND 58102

Submission #: 00805062
Quote Letter #: 02391002
Quote Date: 10/25/2016

We are pleased to offer the following quote. This quote is valid until 11/01/16. Please read carefully as the terms and conditions of coverage may differ from those requested. THIS IS NOT A BINDER OF INSURANCE.

Company: Kinsale Insurance Company

Policy Term: 11/01/2016 - 11/01/2017

Coverage Form: Medical Professional Liability - Claims Made and Reported

Business Description: Correctional Medicine - Part-time (20 hours or less per week)

Rating State: North Dakota

Named Insured(s):

Naveed Haider, MD

Specialty:

Correctional Medicine - Part-time (20 hours or less
per week)

Retroactive Date:

Inception

Insured Entities:

Retroactive Date:

Limits:

Each Medical Incident Limit

Option 1

\$1,000,000

Annual Aggregate Limit

\$3,000,000

Policy Aggregate Limit

\$3,000,000

Deductible:

Each Claim Deductible

\$7,500

Additional Coverages:

HIPAA Related Expense Reimbursement (\$0 Ded)

\$25K

Data Breach Expense Reimbursement (\$0 Ded)

\$25K

Premium

\$5,000

Company Fees

\$0

Total Due at Inception

\$5,000

Broker Fee: \$350.00

ND S/L Tax (1.7%): \$93.63

Total Premium Due: \$5,443.63

Gallagher Healthcare 10-25-2016

Premium is 100.00% minimum and deposit.
Taxes, fees and surcharges are the responsibility of the broker.

ERP Terms: 12 Months at 150.0% of Annual Premium
24 Months at 200.0% of Annual Premium
36 Months at 300.0% of Annual Premium

Min. Earned Premium: 25.00%

ERP Premium is a % of annual premium plus any premium adjustments by endorsement.
See your policy for complete details.

This quote is subject to the specified conditions and may be withdrawn at any time prior to acceptance and in no event will it remain open beyond the quote expiration date unless extended by us in writing. Changes in classifications, operations, exposure or risk specific information require notification to us and may result in changes to this quote. Coverage may not be bound without written confirmation from us. **Once bound, coverage may not be cancelled flat and the minimum earned premium will apply.**

Policy Terms and Conditions – please review policy for complete details

	Option 1
Consent to Settle w/ Limitation	Included
Deductible Applies to Indemnity and/or Claims Expenses	Included
\$25K Data Breach Expense Reimbursement	Included
Defense within the Limit	Included
\$25K HIPAA Related Expense Reimbursement	Included
No Punitive Damages	Included
Risk Management - please provide email address to activate this free service	Included

Quote Options – please consult your underwriter for additional available coverages or enhancements

Option 1

Contingencies:

This Quote is subject to our receipt and acceptance of the following items:

- 1) 5 years currently valued carrier loss runs
- 2) Five years of currently valued loss runs prior to binding

Comments:

MPL2030 - Cass County Jail; 450 34th Street S, Fargo, ND 58103

MPL2027 - Nurse practitioners or Physicians Assistants unless specifically named by an endorsement to the policy.

THIS MAY INCLUDE ONE OR MORE COVERAGES FOR A CLAIMS MADE AND REPORTED POLICY. THE COVERAGE REQUIRES THAT A CLAIM MUST BE FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD AND BE REPORTED IN WRITING TO THE COMPANY WITHIN THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE. IF YOUR POLICY PERMITS REPORTING OF INCIDENTS, THEN INCIDENTS MUST BE REPORTED WITHIN THE POLICY PERIOD. PLEASE REFER TO SECTION V-ADDITIONAL TIME IN WHICH TO REPORT CLAIMS FIRST MADE AT THE END OF THE POLICY PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY.

Please note that this quote INCLUDES risk management services for no charge. Additional risk management services are also available for purchase - see brochure included or contact OmniSure for details. PLEASE PROVIDE YOUR EMAIL ADDRESS AT BINDING TO ACTIVATE THESE FREE RISK MANAGEMENT SERVICES.

Policy Form and Endorsements – Policy Forms & Endorsements correspond to the included Terms & Conditions of OPTION 1 (please consult with your underwriter should you need specimens of optional terms and conditions)

MPL1001-1115 - Declarations

Medical Professional Liability - Claims Made and Reported

ADF9013-0815 - Notice - Where To Report A Claim

ADF4001-0110 - Schedule of Forms

MPL0001-1115 - Medical Professional Liability Policy

MPL2027-0513 - Amendment - Designated Specialist(s) Who Are Not "Insureds"

MPL2030-1213 - Entity And Location Limitation

MPL2031-0214 - Non-Stacking Limitation

MPL2034-1015 - Endorsement - Part-Time Practice

MPL4001-0413 - Minimum Policy Premium

MPL4002-0515 - HIPAA Related Expense Reimbursement Endorsement

MPL4004-0515 - Data Breach Expense Reimbursement Endorsement

MPL3005-0110 - Exclusion- Obstetrics or Surgery

ADF9004-0110 - Signature Endorsement

ADF9009-0110 - U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders

X _____ Date _____
Acceptance Signature



2777 ALLEN PARKWAY
 SUITE 550
 HOUSTON, TX 77019
 (877)687-9824 FAX: (832)308-7925
 CUSTOMER SERVICE: (800)247-6129

PREMIUM FINANCE AGREEMENT

IPFS CORPORATION

A	CASH PRICE (TOTAL PREMIUMS)	\$5,443.63
B	CASH DOWN PAYMENT	\$1,360.91
C	PRINCIPAL BALANCE (A MINUS B)	\$4,082.72

AGENT
 (Name & Place of business)
 ARTHUR J GALLAGHER RISK MGMT.
 SVC.

INSURED
 (Name & Residence or business)
 NAVEED HAIDER, M.D.
 2101 NORTH ELM STREET

8511 S SAM HOUSTON PKWY E
 GALLAGHER HEALTHCARE STE 200
 HOUSTON, TX 77075-4874
 (281)674-1420 FAX: (281)674-1460

FARGO, ND 58102
 ()- FA : ()-

Commercial

Account #: _____

LOAN DISCLOSURE

Quote Number: 5515280

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	AMOUNT FINANCED The amount of credit provided to you or on your behalf.	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled
9.000%	\$185.26	\$4,082.72	\$4,267.98

YOUR PAYMENT SCHEDULE WILL BE

Number Of Payments	Amount Of Payments	When Payments Are Due
9	\$474.22	Beginning: MTHLY 60 12/31/2016

ITEMIZATION OF THE AMOUNT FINANCED: THE AMOUNT FINANCED IS FOR APPLICATION TO THE PREMIUMS SET FORTH IN THE SCHEDULE OF POLICIES UNLESS OTHERWISE NOTED.

Security: Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.

Late Charges: A late charge will be imposed on any installment in default 10 days or more. This late charge will be 5.00% of the installment due not to exceed \$5.00.

Prepayment: If you pay your account off early, you may be entitled to a refund of a portion of the finance charge in accordance with Rule of 78's or as otherwise allowed by law or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of 1.00% of the amount financed not to exceed \$20.00.. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
TBD	11/01/2016	KINSALE INSURANCE CO	PROFESSIONAL LIABILITY	25.00%	12	5,000.00 Tax: 443.63
				Broker Fee:		\$0.00
				TOTAL:		\$5,443.63

the undersigned agent/broker is paid by Lender for assistance in arranging the premium financing. Please see attached for details regarding how.

The undersigned insured directs IPFS Corporation (herein, "Lender") to pay the premiums on the policies described on the Schedule of Policies. In consideration of such premium payments, subject to the provisions set forth herein, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, in each case as shown in the above Loan Disclosure. The named insured(s), on a joint and several basis if more than one, hereby agree to the following provisions set forth on pages 1 and 2 of this Agreement: **1. SECURITY:** To secure payment of all amounts due under this Agreement, insured assigns Lender a security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. **2. POWER OF ATTORNEY:** Insured irrevocably appoints its Lender attorney-in-fact with full power of substitution and full authority upon default to cancel all policies above identified, receive all sums assigned to its Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this Agreement.

NOTICE: A. Do not sign this agreement before you read it or if it contains any blank space. B. You are entitled to a completely filled in copy of this agreement. C. Under the law, you have the right to pay in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. D. Keep your copy of this agreement to protect your legal rights.

The undersigned hereby warrants and agrees to Agent's Representations set forth herein.

Signature of Insured or Authorized Agent
 (11/13) Copyright 2013 IPFS Corporation

DATE

Signature of Agent

DATE

Insured and Lender further agree that:**3. POLICY EFFECTIVE DATES:** The finance charge begins to accrue as of the earliest policy effective date.

4. AGREEMENT EFFECTIVE DATE: This Agreement shall be effective when written acceptance is mailed to the insured by Lender. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If Lender cancels any insurance policy in accordance with the terms of this Agreement and applicable law, then the insured shall pay Lender a cancellation charge equal to \$10.00 or the maximum amount permitted by law. If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. (Not applicable in KY, NV, and VT) **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$30.00 or the maximum amount permitted by law. (Not applicable in AL and KY). **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. (Not applicable in KY) **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender' gross negligence or willful misconduct (not applicable in KY). Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. PRIVACY:** Our privacy policy may be found at <https://www.ipfs.com/Privacy.aspx>. **18. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of North Dakota will govern this Agreement. **19. AUTHORIZATION:** The insurance company (ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **20. WAIVER OF SOVERIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

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The agent/broker executing this agreement represents, warrants and agrees: (1) installment payments totaling \$0.00 and the down payment indicated in Box "B" on Page 1 has been received from the insured in immediately available funds, (2) the insured has received a copy of this Agreement; if the agent/broker has signed this Agreement on the insured's behalf, the insured has expressly authorized the agent/broker to sign this Agreement on its behalf or, if the insured has signed, to the best of the undersigned's knowledge and belief such signature is genuine, (3) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (4) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (6) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (7) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent/broker in preparing this Agreement, (8) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable), (9) to hold in trust for Lender or its assigns any payments made or credited to the insured through or to agent/broker directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender or its assigns upon demand to satisfy the outstanding indebtedness of the insured, (10) all material information concerning the insured and the financed policies necessary for Lender to cancel such policies and receive the unearned premium has been disclosed to Lender, (11) no term or provision of any financed policy requires Lender to notify or get the consent of any third party to effect cancellation of such policy, and (12) to promptly notify Lender in writing if any information on this Agreement becomes inaccurate.

**Arthur J. Gallagher Brokerage & Risk Management Services, LLC
Disclosure Letter**

October 25,2016

NAVEED HAIDER, M.D.
2101 NORTH ELM STREET
FARGO,ND 58102
()-

Re: Official Notice - Premium Finance Quote Number 5515280

Arthur J. Gallagher Brokerage & Risk Management Services, LLC and its subsidiaries ("AJGRMS") will obtain premium financing quotes from one or more premium finance companies to finance your premium. As compensation for referring your business to the premium finance company, AJGRMS will receive approximately 37.02% of the Finance Charges and 50% of any collected Late Charges as described in the premium finance proposal. In obtaining these quotes, AJGRMS is representing the premium finance company, and is not acting as an insurance agent or broker on your behalf. Your acceptance of the Premium Finance Agreement constitutes your acknowledgement that you understand that AJGRMS represents the premium finance company and that you consent to AJGRMS receiving compensation in connection with this transaction. Your acceptance also waives any potential conflict of interest that may arise from AJGRMS referring your business to a premium finance company for compensation. You are under no obligation to select this offer and, should you prefer, you may independently arrange for your own premium financing.

Sincerely,

ARTHUR J GALLAGHER RISK MGMT. SVC.
8511 S SAM HOUSTON PKWY E
HOUSTON,TX 77075-4874
(281)674-1420

DECLARATIONS MEDICAL PROFESSIONAL LIABILITY - CLAIMS MADE AND REPORTED

Policy Number:
 Producer Number:
 Name and Address:

NAMED INSURED:	
MAILING ADDRESS:	
POLICY PERIOD:	FROM TO at 12:01 AM at the address of the named insured as shown above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

LIMITS OF INSURANCE	
Each Medical Incident Limit	
Annual Aggregate Limit	
Policy Aggregate Limit	

DEDUCTIBLE	
Each Claim Deductible	

RETROACTIVE DATE	
Professional Liability:	at 12:01AM at the address of the named insured as shown above.
THIS INSURANCE DOES NOT APPLY TO INJURY WHICH OCCURS BEFORE THE APPLICABLE RETROACTIVE DATE, SHOWN ABOVE.	

DESCRIPTION OF BUSINESS	
DESCRIPTION OF OPERATIONS:	
Business Type:	

SPECIALTY AND PREMIUM	
SPECIALTY	PREMIUM

COMPANY FEE:	
TOTAL PREMIUM (MINIMUM AND DEPOSIT) PAYABLE AT INCEPTION:	

POLICY SUBJECT TO AUDIT:	<<Y or N>>	AUDIT PERIOD:	ANNUAL
---------------------------------	------------	----------------------	--------

FORMS AND ENDORSEMENTS	
Refer to ADF4001, SCHEDULE OF FORMS	

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

NOTICE—WHERE TO REPORT A CLAIM

It is important that losses, claims or incidents (if incident reporting is permitted under the Policy) are reported in writing and directly to Kinsale Insurance Company. Reporting losses, claims or incidents to an insurance agent or broker is not notice to Kinsale Insurance Company. Failure to report directly to Kinsale Insurance Company may jeopardize coverage under the Policy. Kinsale Insurance Company can be contacted easily and quickly by e-mail, fax or U.S. mail.

By E-mail:

Newclaimnotices@kinsaleins.com

By FAX:

1-804-482-2762, Attention Claims Department

or

By Mail:

Kinsale Insurance Company
Attention: Claims Department
P. O. Box 17008
Richmond, Virginia 23226

Street Address:

2221 Edward Holland Drive, Suite 600
Richmond, Virginia 23230

SCHEDULE OF FORMS

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

SPECIMEN

MEDICAL PROFESSIONAL LIABILITY POLICY

THIS IS A CLAIMS MADE AND REPORTED POLICY. THE COVERAGE REQUIRES THAT A CLAIM BE FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD AND BE REPORTED IN WRITING TO THE COMPANY WITHIN THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE. THE LIMIT OF INSURANCE WILL BE REDUCED BY PAYMENT OF DAMAGES AND DEFENSE COSTS. PLEASE READ THE ENTIRE POLICY CAREFULLY.

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 shown in the Declarations under this Policy. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **DEFINITIONS (SECTION III)**.

In consideration of payment of the premium, in reliance upon all statements made and information furnished to us, including the statements and information provided in the application, which are made part of this Policy, and subject to all the terms, conditions and limitations of this Policy and its endorsements, we agree with you as follows:

SECTION I- COVERAGE

A. Insuring Agreement

1. We will pay, in excess of the Deductible shown in the Declarations, those sums any "insured" becomes legally obligated to pay as "damages" and "defense costs" for "injury" because of a "medical incident".
2. This insurance applies to "claims" for "injury" because of "medical incidents" only if:
 - a. Prior to the effective date of this Policy, no "insured" had knowledge of any "medical incident" that could reasonably give rise to a "claim" under this Policy;
 - b. No common fact, circumstance, situation, transaction, event, service, advice or decision involved in a "medical incident" was reported as a "claim" or potential "claim" under any prior policy or disclosed in the application for this Policy or any previous insurance policy for which you have applied;
 - c. The "damages" arise out of a "medical incident" that took place on or subsequent to the Policy "retroactive date" specified in the Declarations and before the end of this "policy period";
 - d. The "claim" against you is first made to you during this "policy period" and is reported to us in writing during this "policy period" or in accordance with an Extended Reporting Period if applicable, provided that a "claim" first made against you during the final fifteen (15) days of this "policy period" and reported to us in writing within thirty (30) days of the end of this "policy period" will be deemed to have been reported on the last day of this "policy period" if no subsequent policy issued by another insurer is available to cover the "claim".

B. Defense and Settlement

1. We will have the right and duty to defend the "insured" against a "claim" seeking those "damages". However, we will have no duty to defend the "insured" against any "claim" seeking "damages" to which this insurance does not apply. We may, at our discretion, investigate any "claim" that may result.
2. We have the right to negotiate the settlement of any "claim", whether within or above the Deductible, and we will seek your written consent to any settlement. If the "named insured" refuses to consent to any settlement we recommend that is acceptable to the claimant, our Limit of Insurance for such "claim" is limited to the amount in excess of the Deductible we would have paid as "damages" had you consented to settlement at that time plus any "defense costs" covered by this Policy incurred up to the date of your refusal to settle.

The amount we will pay for "damages" or "defense costs" is limited to and shall reduce the applicable Limit of Insurance. Our right and duty to defend or settle ends when we have used up the applicable Limit of Insurance in the payment of "damages" or "defense costs". In such case, we shall have the right to withdraw

from further defense, payment or settlement of any "claim" by tendering control of such "claim" to you. You agree to accept such tender as a condition of this Policy.

3. Where there is no coverage under this Policy, there is no duty to defend.

C. Multiple and Related Claims and Medical Incidents

All "claims" for "damages" or "defense costs" arising out of "injury" because of a "medical incident" will be deemed to have been made on the date when the first of all logically or causally connected "claims" is made against any "insured". All "claims" based upon logically or causally connected medical professional services shall be deemed to constitute a single "claim" and be subject to a single Limit of Insurance.

For the purposes of this insurance, all "injury" arising out of medical professional services that are logically or causally connected by any common fact, circumstance, situation, transaction, event, service, advice or decision, will be considered to be one "medical incident" and will be deemed to have taken place at the time the first of the related "injury" or medical professional services took place. Any act or omission, together with all other related acts or omissions in providing medical professional services to any one person, shall be considered one "medical incident" and will be deemed to have taken place at the time of the earliest of any related acts or omissions.

SECTION II – WHO IS AN INSURED

Each of the following is an "insured":

- A.** The "named insured" stated in the Declarations or in an endorsement attached to this Policy.
- B.** Your partnership, corporation, or professional association specifically named in the Declarations or in an endorsement attached to this Policy, but only for liability which arises from a "medical incident".
- C.** A physician, surgeon, or dentist specifically named as a "named insured" in the Declarations or in an endorsement or schedule attached to this Policy and only while acting within the scope of that person's duties on behalf of an "insured" as described in **A.** or **B.** above.
- D.** The "insured's" employee and/or authorized volunteer worker who is not a nurse midwife, intern, extern, resident, certified registered nurse anesthetist (CRNA), chiropractor, podiatrist, optometrist, perfusionist, psychologist, or medical, osteopathic, dental or naturopathic doctor, but only while acting within the scope of that person's duties on behalf of an "insured" as described in **A.**, **B.** or **C.** above.
- E.** The heirs, executors, administrators and legal representative of each "insured" as defined in **A.** through **D.** above, in the event of death, incompetency or bankruptcy of such "insured", but only for the liability of such "insured".
- F.** Any locum tenens provider providing medical professional services on behalf of a "named insured", but only for a "medical incident" in your practice during your absence and during the "policy period", provided such locum tenens provider has made application to us and we have agreed to accept the locum tenens provider as an "insured" prior to the date on which the locum tenens provider begins providing medical professional services on your behalf.

SECTION III – DEFINITIONS

Defined terms are in quotation marks throughout this Policy and may be used in either the singular or plural, as appropriate.

- A.** "Claim" means a written demand for monetary sums arising from a "medical incident".
- B.** "Defense costs" means all attorneys' fees, costs and expenses incurred by us during the adjustment, arbitration, defense, discovery, investigation or settlement of a "claim".
- C.** "Damages" means judgments, awards and settlements that the "insured" becomes legally obligated to pay as a result of a covered "medical incident". "Damages" does not include declarative, injunctive or other non-pecuniary or equitable relief, punitive or exemplary damages, or the amount of any multiplied damages awarded that is in excess of the damage award so multiplied.
- D.** "Injury" means physical harm, mental anguish, mental illness, emotional distress, sickness, disease or death, which is neither expected nor intended by the "insured".
- E.** "Insured" means any person or entity qualifying as such under **SECTION II – WHO IS AN INSURED.**

- F. "Medical incident" means any act or omission in the rendering of or failure to render medical professional services within a doctor-patient relationship by any "insured". Any act or omission, together with all other related acts or omissions in providing medical professional services to any one patient, shall be considered one "medical incident" and will be deemed to have occurred at the time of the earliest of any related acts or omissions. Any act or omission in the treatment of a mother and fetus at any time from conception to delivery constitutes one "medical incident" involving the same patient. "Medical incident" includes services performed as a member of a formal accreditation or similar professional board or committee of a hospital at which the "named insured" is a staff member. "Medical incident" includes, but is not limited to the furnishing of food, beverages, medications or applications in connection with medical professional services.
- G. "Named insured" means a person or entity specifically identified as a "named insured" in the Declarations or in an endorsement attached to this Policy.
- H. "Policy period" means the period shown as such in the Declarations, unless the Policy is terminated at an earlier date.
- I. "Pollutants" means any solid, liquid or gaseous, thermal or electromagnetic irritant or contaminant, including acids, alkalis, biohazardous wastes, biomedical wastes, chemicals, fumes, other wastes, smoke, soot, and vapor. Wastes also include materials to be recycled, reconditioned or reclaimed.
- J. "Retroactive date" means the date specified in the Declarations or endorsements to this Policy after which a "medical incident" must take place.
- K. "Suit" means a civil action brought against an "insured" that seeks to recover damages due to a "medical incident" to which this Policy applies.

SECTION IV – EXCLUSIONS

This Policy does not apply to any "claim", "suit", "medical incident", or "defense costs" based upon, arising out of, or in any way involving any actual or alleged:

- A. Prior or Known Claims
 - 1. Disclosed in the application for this Policy;
 - 2. Disclosed to any other insurance company or other source from which payment might be made prior to the effective date of the first "policy period" issued by us;
 - 3. Based on, arising out of or resulting from:
 - a. A "medical incident", "injury" or medical professional services, any portion of which took place prior to the "retroactive date" specified for the "named insured";
 - b. Any act, omission or circumstance that could reasonably have been foreseen to give rise to a "claim", which was known by the "named insured" prior to the effective date of the first policy or the first policy in a series of continuous policies issued by us; or
 - c. Proceedings that were initiated against any "insured" prior to the effective date of the first policy or the first policy in a series of continuous policies issued by us.
- B. Medical professional services:
 - 1. For any other "insured" under this Policy;
 - 2. For any firm, organization, entity or trust not named in the Declarations which controls, manages, owns or operates, any "insured";
 - 3. For any firm, organization, entity or trust not named in the Declarations in which any "insured" or any "insured's" spouse, child or any other dependent:
 - a. Has or had any ownership interest;
 - b. Is or was a director, officer, member, partner, principal, shareholder or employee; or,
 - c. At any time managed, operated or exercised direct or indirect control.
- C. "Injury" arising out of the administration of general anesthesia or any procedure carried out under general anesthesia, unless performed in a hospital or surgical facility accredited by the Joint Commission, the Accreditation

Association for Ambulatory Health Care, Inc (AAAHHC), the American Association for Accreditation of Ambulatory Surgery Facilities, Inc (AAAASF), or a similar industry recognized accreditation board.

- D.** "Injury" arising out of:
1. Any conduct, physical act, gesture, sexual contact (whether or not consensual), sexual molestation, sexual or physical assault or battery, sexual abuse, sexual harassment or exploitation, harmful, unwanted or offensive contact or spoken or written words of a sexual or physically violent nature whether provoked or unprovoked;
 2. The "insured's" actual or alleged negligent employment, investigation, supervision, hiring, training or retention of any "employee", "insured" or person for whom the "insured" is legally responsible and whose conduct falls within paragraph 1. above; or
 3. The failure to provide an environment safe from or warn of the dangers of, or prevent or fail to report to the proper authorities, any conduct described in paragraph 1. or 2. above.
- E.** "Injury" arising out of an experimental or investigational procedure, device or practice protocol or any use of, administration of or prescription for any drug or pharmaceutical that has been disapproved or has yet to be approved by the U.S. Food and Drug Administration for treatment of human beings.
- F.** Employment dispute, or "injury" to or sickness, disease or death of any employee of any "insured" arising out of and in the course of employment by any "insured".
- G.** Medical professional services rendered while:
1. Any "insured's" professional license to practice medicine is inactive, under suspension, has been revoked, surrendered, or has otherwise been terminated; or
 2. Prescribing or dispensing controlled substances while any "insured's" license or registration to prescribe or dispense controlled substances is not in effect.
- H.** Dishonest, fraudulent, criminal or deliberately wrongful acts committed by or at the direction of an "insured".
- I.** Actual or alleged liability assumed by any "insured" under any contract or agreement, unless such liability would have attached to the "insured" in the absence of the contract or agreement.
- J.** Activities as a proprietor, owner, shareholder, partner, member, investor, officer, director, superintendent, or medical director of a hospital, nursing home, sanitarium, retirement facility, health maintenance organization, ambulatory surgery center, laboratory, clinic or other overnight bed and board facility not named in the Declarations of this Policy.
- K.** Medical professional services rendered while an "insured" was under the influence of alcohol, narcotics, hallucinogenic agents or which involves any other allegation of substance abuse.
- L.** Dispute over fees for services and rights or duties under any other agreement or any claim for payment of any fine, sanction or penalty of any nature against the "insured" or the "insured's" patients.
- M.** Creation, alteration or modification of any medical records not in accordance with medically accepted standards.
- N.** Discrimination of any kind by an "insured", including but not limited to discrimination due to or on the basis of race, color, creed, national origin, marital status, age, gender, disability, HIV/AIDS status, or sexual orientation.
- O.** Acts or omissions of or by any physician, surgeon, or dentist:
1. Employed by or under contract with the "named insured" unless specifically named as a "named insured" on the Declarations or by endorsement to this Policy;
 2. Who is a locum tenens not approved by us; or
 3. That is not an "insured" under this Policy.
- P.** Disciplinary proceedings before any state licensing board or hospital peer review, or other similar entity, or any obligation to pay any fines, penalties or associated costs for such proceedings or reviews.
- Q.** Violation of Laws including:
1. Any workers' compensation, disability benefits or unemployment compensation law, social security or similar law;

2. Employee Retirement Income Security Act of 1974 (ERISA) including any fiduciary liability or liability due to the administration of any employee benefit plan; the Fair Labor Standards Act; the National Labor Relations Reconciliation Act of 1938; the Consolidated Omnibus Budget Reconciliation Act of 1985; or the Occupational Safety and Health Act;
 3. Medicare/Medicaid rules and regulations even if such activities are related to a "medical incident";
 4. State or federal anti-trust laws or any other related laws, statutes, regulations or government orders;
 5. Any Health Insurance Portability and Accountability Act (HIPAA) or Americans with Disabilities Act (ADA) rules, regulations or laws; or
 6. Any rules or regulations promulgated under any of the foregoing, amendments thereto, or any similar provisions of any federal, state, or local laws.
- R.** "Injury" or expense resulting from:
1. The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
 2. Any request, demand or order that any "insured" test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".
 3. Any "claim" by or on behalf of a governmental authority for "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of "pollutants".
- S.** Product liability, whether under the theory of strict liability, negligence, breach of warranty or otherwise.
- T.** Unauthorized access to the "insured's" electronic data processing system.
- U.** Ownership, operation or use, loading or unloading of any vehicle, watercraft, mobile equipment or aircraft.
- V.** "Injury" arising out of medical professional services that are outside the area of practice described in the Description of Operations section of the Declarations of this Policy or in an endorsement to this Policy.
- W.** Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability
- Damages arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

SECTION V – LIMITS OF INSURANCE AND DEDUCTIBLE

- A.** Limits of Insurance
1. Each Medical Incident Limit – Subject to **A.2.** below, the maximum amount that we will pay for all "damages" and all "defense costs" incurred arising out of any one "medical incident" shall not exceed the amount stated on the Declarations as Limit of Insurance – Each Medical Incident.
 2. Annual Aggregate Limit –The maximum amount that we will pay for all "damages" and all "defense costs" incurred arising out of all "medical incidents" covered under this Policy shall not exceed the amount stated on the Declarations as Limit of Insurance – Annual Aggregate.
 3. The Limits of Insurance stated above in **A.1.** and **A.2.** apply separately to each "named insured" in the Declarations or in any endorsement attached to this Policy, except in the event that "claims" are made against two or more "named insureds" involving the same patient, the single Each Medical Incident Limit as shown in the Declarations is the maximum amount we will pay for all "damages" and all "defense costs" for all such "claims", regardless of the number of "named insureds" or "insureds" involved. Any "insured" who is not a "named insured" is not covered with a separate Limit of Insurance and, instead, all such "insureds" share the Limit of Insurance of the "named insured" with respect to a "medical incident".

4. Policy Aggregate Limit—The maximum amount that we will pay for the sum of all “damages” and all “defense costs” arising out of all “claims” for all “medical incidents” under this Policy regardless of the number of “named insureds” or “insureds” is the amount stated on the Declarations for Limit of Insurance—Policy Aggregate.
5. All “claims” or “suits” arising out of a “medical incident” shall be a considered a single “claim”, regardless of:
 - a. The number of “claims” or claimants;
 - b. Whether related professional services extend over a long treatment period; or
 - c. Whether related professional services extend over multiple policy periods.
6. If two or more policies of insurance issued by us apply to the same “claim” or “claims” for which an “insured” is legally liable, then we shall not be liable under this Policy for more than the Limit of Insurance of that policy issued by us which has the highest applicable Limit of Insurance. If the Limit of Insurance of each policy is the same, then only one (1) limit will apply.

B. Deductible

We shall only be liable for those amounts payable as “damages” and “defense costs” incurred in the defense of a “claim” or “suit” which are in excess of the applicable Deductible stated in the Declarations.

1. We shall have no obligation to make payments within the Deductible and then seek reimbursement from the “insured”. If we opt to advance payment of all or part of the Deductible, you shall reimburse us within thirty (30) days of our request for reimbursement. You shall promptly make payments within the Deductible directly to the appropriate parties designated by us.
2. The Deductible amount reduces the Limit of Insurance payable under this Policy.
3. The Deductible amount applies to “damages” and “defense costs” and shall be applicable to each “claim”.

SECTION VI – COVERAGE TERRITORY

The insurance provided by this Policy applies to “claims” because of a “medical incident” that takes place anywhere in the world, provided, however, the “claim” must be made and “suit” brought and maintained within the United States, its territories or possessions, or Puerto Rico or Canada.

SECTION VII – WHEN THERE IS A CLAIM

- A. The “insured” shall provide detailed written notice to us as soon as practicable following receipt of any “claim” or “suit”;
- B. The “insured” must immediately:
 1. Record the specifics of the “claim” or “suit”, including date received; and
 2. Send us copies of any demands, notices, summonses or legal papers received in connection with the “claim” or “suit”; and
- C. Any involved “insured” must:
 1. Authorize us to obtain records and other information;
 2. Cooperate fully with us in the investigation, settlements, or other proceedings, and the enforcing of any right of contribution or indemnity against another who may be liable to you. Cooperation includes attending hearings and trials, assist in securing and providing evidence, and obtaining the attendance of witnesses; and
 3. Assist us in the enforcement of any right against any person or entity that may be liable to the “insured” due to “damages” to which this insurance may also apply.
- D. No “insured” shall, except at their own expense, voluntarily make a payment, assume any obligation, or agree to any settlement of a “claim” without our prior written consent.

SECTION VIII –CONDITIONS

A. Bankruptcy

Bankruptcy or insolvency of any “insured” or of any “insured’s” estate will not relieve us of our obligations under this Policy.

B. Legal Action Against Us

1. No action may be brought against us unless there has been full compliance with all of the terms of this Policy and the ultimate amount of the “insured’s” responsibility has been finally concluded either by a trial judgment against the “insureds” or by written agreement with the “insureds”, all claimants, and us;
2. No person or organization has any right under this Policy to join us as party into any suit to determine the liability of any “insured”.

C. Other Insurance

If other valid and collectible insurance is available to the “insured” for a loss we cover under this Policy, this insurance is excess over any other valid insurance, whether such insurance is considered contributory, excess, primary or otherwise, unless such insurance specifically applies in excess of this Policy.

When this insurance is excess, we will have no duty under this Policy to defend the “insured” against any "suit" if any other insurer has a duty to defend the “insured” against that "suit".

D. Representations

By accepting this Policy, you agree that:

1. The application, and all other information and statements provided to us are true, accurate and complete and that the application and all such information and statements are made part of this Policy;
2. The application and all other information and statements provided to us are representations and warranties made to us on behalf of all “insureds”;
3. This Policy has been issued in reliance upon the truth and accuracy of those representations and warranties; and
4. Concealment, misrepresentation or fraud in the procurement of this Policy which, if known by us, would have led us to refuse to enter into this contract at its current terms, conditions or pricing, or to provide coverage for a “claim” hereunder, will be deemed material and this Policy shall be void. In such an event, the Company shall have no obligation to return any portion of the premium.

E. Subrogation

If any “insured” has rights to recover all or part of any “damages” or “defense costs” that we have paid under this Policy, those rights are transferred to us. You and all other “insureds” must do nothing to harm these rights and will cooperate with us to enforce these rights.

F. Named Insured Responsibilities

The “named insured” listed first in the Declarations of this Policy shall act on behalf of all “insureds” with respect to completing the application for this insurance, including representing the truth, accuracy and completeness of all information, giving or receiving notice of cancellation or non-renewal, paying premium or receiving unearned premium, paying the Deductible, consenting to the settlement of any “claim”, agreeing to any changes in this Policy, and electing whether or not to purchase the Extended Reporting Period described in **SECTION IX – OPTIONAL EXTENDED REPORTING PERIOD.**

G. Cancellation and Non-Renewal

1. Cancellation

- a. The “named insured” listed first in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this Policy by mailing or delivering to the “named insured” written notice of cancellation at least:
 - i. Ten (10) days before the effective date of cancellation if we cancel for non-payment of premium or non-payment of Deductible; or
 - ii. Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the “named insured’s” last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The “policy period” will end on that date.

- e. If this Policy is cancelled, we will send the “named insured” any refund due. If we cancel for reasons other than non-payment of premium, the refund will be pro rata. If we cancel due to non-payment of premium or if the “named insured” cancels for any reason, the refund may be less than pro rata and is subject to the minimum earned premium provisions of the Policy. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. Non-Renewal

- a. If we elect not to renew this Policy, we shall mail written notice to the “named insured’s” last mailing address known to us. Such written notice of non-renewal shall be mailed at least thirty (30) days prior to the end of the “policy period”.
- b. If notice is mailed, proof of mailing will be sufficient proof of notice.

H. Fraudulent Acts

If any “insured” commits fraud in connection with any “claim” submitted to the Company, this insurance shall become void from the date such fraudulent “claim” is submitted. In such an event, the Company shall have no obligation to return any portion of the premium.

I. Assignment of Interest Limitation

Assignment of interest by you under this Policy shall not bind us unless we agree and endorse the assignment onto this Policy.

J. Service Of Suit

In the event of the failure of the Company to pay any amount claimed to be due under this Policy, the Company will submit to the jurisdiction of any court of competent jurisdiction within the United States of America or Canada. All matters arising under this Policy shall be determined in accordance with the choice of law rules 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.

Service of process in any such suit may be made upon the President and Chief Executive Officer of the Company or his designee at the address shown on the Declarations of this Policy. In any suit instituted upon this contract and against the President and Chief Executive Officer of the Company or his designee, the Company will abide by the final decision of such Court or of any Appellate Court in the event of an appeal. The President and Chief Executive Officer of the Company or his designee are authorized and directed to accept service of process.

Pursuant to any statute of any state, territory or district of the United States of America, the Company designates the Superintendent, Commissioner or Director of Insurance or other officer specified for the purpose in the statute, or his 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 insured or any beneficiary under this Policy arising out of this contract of insurance. The Company designates the above-named as the person to whom said officer is authorized to mail such process or a true copy of such process.

K. Waiver of Terms

The terms of this Policy cannot be changed or waived except by written endorsement issued to become part of the Policy by us. All premiums and other charges shall be calculated in accordance with the company’s rates and rules in effect at the time of each renewal, continuation or annual anniversary of the effective date.

L. Material Changes

The “named insured” shall immediately notify us:

- 1. If any “insured’s” license to practice or hospital privileges are in any way restricted, suspended, revoked or otherwise terminated; or
- 2. Of any material changes in any “insured’s” practice or specialty as described in the application for this Policy.

M. Policy Renewal

Disclosure of a “claim” or potential “claim” on a renewal application or a claim information supplement submitted to us shall not be notice of a “claim”. The “insured” must follow reporting requirements set forth herein in order to provide notice of a “claim”.

SECTION IX – OPTIONAL EXTENDED REPORTING PERIOD

If this Policy is cancelled or non-renewed for reasons other than non-payment of premium or non-payment of Deductible, non-compliance with the Policy’s terms and conditions, or for misrepresentation or fraud; or we renew or replace this Coverage Part with insurance that has a “retroactive date” later than the date shown in the Declarations of this Coverage Part; or that does not apply to injury on a claims-made basis; then you shall have the right to purchase an Extended Reporting Period endorsement subject to all the terms and conditions of this Policy and as described below:

1. The “named insured” shall have the right to purchase an Extended Reporting Period during which you may report to us a “claim” that is first made against any “insured” during such Extended Reporting Period and that results from a “medical incident” that takes place subsequent to the Policy “retroactive date” and before the end of this “policy period” and to which this Policy applies.
2. The Extended Reporting Period is provided by endorsement for an additional premium computed as a percentage of the combined sum of the Policy premium and any premium adjustments by endorsement, not including a cancellation endorsement if applicable. The premium for the Extended Reporting Period is deemed fully earned and is non-refundable the first day the Extended Reporting Period is effective.
3. Once in effect, the Extended Reporting Period may not be cancelled by you or us.
4. You must provide us a written request for the Extended Reporting Period endorsement and pay any premium due within thirty (30) days after the end of the “policy period”. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

Any change to this Policy’s premiums, limits or terms, or to the premium, limits or terms of a renewal policy do not constitute a refusal to renew.

The Limit of Insurance for “claims” made during the Extended Reporting Period is considered part of, and is not in addition to, the Limit of Insurance referenced in **SECTION V: LIMITS OF INSURANCE AND DEDUCTIBLE**. The fact that the period during which “claims” may be first made and reported to us under this Policy is extended by activation of the Extended Reporting Period does not in any way increase or reinstate the available limits of insurance of this Policy.

If purchased, the Extended Reporting Period does not apply to any “claim” or “suit” that is covered in whole or in part under any other insurance, except for insurance purchased specifically to apply as excess over this Policy. This applies, whether that other insurance is issued by the Company or any other insurer, and to any “claim” or “suit” that would be covered by that other insurance but for the exhaustion of the limit of insurance or but for the failure of any “insured” to comply with the terms and conditions of that other insurance.

SECTION X—BINDING ARBITRATION

1. All disputes over coverage or any rights afforded under this Policy, including whether an entity or person is a “named insured”, an “insured”, an additional insured, or the effect of any applicable statutes or common law upon the contractual obligations owed, shall be submitted to binding arbitration, which shall be the sole and exclusive means to resolve the dispute. Either party may initiate the binding arbitration.
2. The arbitration forum and process shall be agreed to by the parties. In the event the parties cannot agree on an arbitration forum and process, the matter shall be submitted to the American Arbitration Association. The Arbitration shall be before a panel of three arbitrators, unless the parties agree to one arbitrator, all of whom shall have experience in insurance coverage of the type afforded by this Policy. If the parties select a panel of three arbitrators, each party shall select an arbitrator and the chosen arbitrators shall select a third arbitrator. The American Arbitration Association shall decide any disputes concerning the selection of the Arbitrators. The potential arbitrators from which the arbitrators shall be selected shall not be confined to those provided by the American Arbitration Association. Each party shall bear the costs of its arbitrator and shall share equally the costs of the third arbitrator and arbitration process. In the event of a single arbitrator, the cost shall be shared equally by the parties. The decision of the arbitration is final and binding on the parties.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT - DESIGNATED SPECIALIST(S) WHO ARE NOT "INSUREDS"

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

This endorsement modifies insurance provided under the following:

MEDICAL PROFESSIONAL LIABILITY COVERAGE

SCHEDULE OF DESIGNATED SPECIALIST(S) WHO ARE NOT "INSUREDS"

An individual shown in the Schedule above is not an "insured" under this Policy.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT - PART-TIME PRACTICE

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>	<i>Return Premium:</i>	

This endorsement modifies insurance under the following:

MEDICAL PROFESSIONAL LIABILITY COVERAGE

SECTION VIII—CONDITIONS is amended by adding the following:

Part-Time Practice

In reliance upon the “named insured’s” representation to render medical professional services for no more than 20 hours each week, or 1,040 hours total, during the “policy period”, we have agreed to a reduction in premium. The “insured” acknowledges that the number of hours of medical professional services rendered shall be subject to verification by us, and shall provide us with evidence verifying the extent of the “insured’s” current professional practice upon request.

The “insured” agrees that rendering medical professional services in excess of the maximum hours stated in this Condition gives us the right to charge additional premium.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NON-STACKING LIMITATION

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>	<i>Return Premium:</i>	

This endorsement modifies insurance under the following:

**MEDICAL PROFESSIONAL LIABILITY COVERAGE
LOCUM TENENS AND MEDICAL STAFFING PROFESSIONAL LIABILITY COVERAGE**

The **Other Insurance** Condition of this Policy is deleted and replaced with the following:

If other valid and collectible insurance is available to the "insured" for a loss we cover under this Policy, this insurance is excess over any other valid insurance, whether such insurance is considered contributory, excess, primary or otherwise, unless such insurance specifically applies in excess of this Policy.

When this insurance is excess, we will have no duty under this Policy to defend the "insured" against any "suit" if any other insurer has a duty to defend the "insured" against that "suit".

Notwithstanding the provision above, if this Policy and one or more policies issued by this Company affording coverage to the "named insured" or to any entity or person who controls, is controlled by or is affiliated by common control with such "named insured", apply to any "claim", then with respect to such "claim":

- a. The Company shall not be liable under this Policy for a greater proportion of any amount arising from such "claim", whether "damages" or "defense costs" than the Company's liability under this Policy bears to the total combined Limits of Insurance of the Company under all valid and collectible insurance issued by the Company and applicable to such "claim"; and
- b. The total Limit of Insurance available for such "claim" shall not exceed the higher or highest applicable Limit of Insurance remaining on all such policies at the time the "claim" was first made and its payment shall extinguish this Company's liability on all policies for such "claim".

Nothing in this endorsement shall be construed as increasing the Limits of Insurance of this Policy.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENTITY AND LOCATION LIMITATION

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>	<i>Return Premium:</i>	

This endorsement modifies insurance under the following:

MEDICAL PROFESSIONAL LIABILITY COVERAGE

LOCUM TENENS AND MEDICAL STAFFING PROFESSIONAL LIABILITY COVERAGE

SCHEDULE

ENTITY NAME(S):	ENTITY'S LOCATION:
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This Policy applies only to "claims", "suits", "medical incidents", or "defense costs" for "injury" or "damages" arising out of the "insured's" rendering or failure to render medical professional services on behalf of an Entity that is named in the Schedule above at that Entity's Location named in the Schedule above.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM POLICY PREMIUM

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

This endorsement modifies insurance provided under the following:

MEDICAL PROFESSIONAL LIABILITY COVERAGE

LOCUM TENENS AND MEDICAL STAFFING PROFESSIONAL LIABILITY COVERAGE

SCHEDULE

A.	Minimum and Deposit Premium:	
B.	Percentage of Minimum Premium retained:	

This endorsement sets forth the minimum earned premium for this policy. The minimum earned premium for this policy is calculated as follows:

1. The minimum and deposit premium for this policy is shown in item A. of the Schedule above and is a percentage the total policy premium shown on the Declarations page of the policy plus any premium adjustments by endorsements and any additional premium developed by audit.
2. If the insured cancels this policy, the return premium will be 90% of the unearned policy premium, however in no event will the Company retain less than the percentage that is shown in item B. of the Schedule above of the minimum premium described in paragraph 1. above.
3. If the Company cancels the policy for any reason other than nonpayment of premium then the insured will be returned the full amount of the unearned premium as determined by premium audit and without any minimum premium restrictions.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIPAA RELATED EXPENSE REIMBURSEMENT ENDORSEMENT

Attached To and Forming Part of Policy	Effective Date of Endorsement 12:01AM at the Named Insured address shown on the Declarations	Named Insured
Additional Premium:	Return Premium:	

This endorsement modifies insurance provided under the following:

**MEDICAL PROFESSIONAL LIABILITY COVERAGE
LOCUM TENENS AND MEDICAL STAFFING PROFESSIONAL LIABILITY COVERAGE**

SCHEDULE

Patient Privacy Expense Aggregate Limit of Insurance:	
Deductible Amount Each Patient Privacy Event:	

THIS ENDORSEMENT ONLY PROVIDES REIMBURSEMENT TO YOU FOR PATIENT PRIVACY EXPENSES INCURRED BECAUSE OF A COVERED PATIENT PRIVACY EVENT. THIS ENDORSEMENT DOES NOT PROVIDE ANY LIABILITY COVERAGE OR COVERAGE FOR THE COST OR EXPENSE OF DEFENDING ANY CLAIM OR SUIT.

A. The following is added to **SECTION I – COVERAGE**:

“PATIENT PRIVACY EXPENSE” REIMBURSEMENT COVERAGE

1. Insuring Agreement

a. We will reimburse you for “patient privacy expenses” paid by you because of a “patient privacy event” to which this insurance applies.

The amount of such reimbursement is limited as described below in **B. SECTION V – LIMITS OF INSURANCE AND DEDUCTIBLE**. No other obligation or liability to pay sums or perform acts or services is covered.

b. This insurance applies to a “patient privacy event” only if the “patient privacy event” is initiated after the effective date of this endorsement and prior to the end of the “policy period”.

c. We will reimburse “patient privacy expenses” only if:

(1) The expenses are incurred by you; and

(2) The expenses are paid by you and reported to us, with supporting documentation, within one year of the date on which the “patient privacy event” was initiated; and

(3) Written notification was sent to you by the Office of Civil Rights advising of a “patient privacy event”.

d. A “patient privacy event” will be deemed to have been initiated when you first received, in writing, notification from the Office of Civil Rights of a pending “patient privacy event”.

No Extended Reporting Period applies to the coverage provided by this Endorsement.

2. Exclusions

This insurance does not apply to “patient privacy expenses” arising out of:

a. Defense Of Claim

The defense of any claim or “suit” against you for any liability arising out of a “patient privacy event”.

b. Third Party Damages, Fines And Penalties

Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages.

- B.** For the purposes of this endorsement, **SECTION V – LIMITS OF INSURANCE AND DEDUCTIBLE** is deleted and replaced by the following:

SECTION V– LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Patient Privacy Expense Aggregate Limit of Insurance shown in the Schedule above and the rules below fix the most we will pay regardless of the number of:
 - a. "Insureds"; or
 - b. "Patient privacy events" initiated; or
 - c. Coverage Forms included in this Policy.
2. The Patient Privacy Expense Aggregate Limit of Insurance shown in the Schedule above is the most we will reimburse you for the sum of all "patient privacy expenses" incurred and paid by you for all "patient privacy events" initiated during the "policy period".
3. The Patient Privacy Expense Aggregate Limit of Insurance shown in the Schedule above is subject to and not in addition to the Annual Aggregate Limit shown in the Declarations. This endorsement in no way increases the Limits of Insurance as set forth in the Declarations.
4. The Patient Privacy Aggregate Limits of Insurance shown in the Schedule above may not be stacked or combined with the Data Breach Aggregate Limits of Insurance of the Data Breach Expense Reimbursement Endorsement, if part of this Policy. In the event that this endorsement and any such Data Breach Expense Reimbursement Endorsement both apply to reimbursement for a single event, the maximum reimbursement under both endorsements shall not exceed the higher of the available Expense Limits of Insurance.

5. Deductible

We will only pay for the amount of "patient privacy expenses" which are in excess of the deductible amount, if any, shown in the Schedule above. The deductible applies separately to each "patient privacy event". The limits of insurance will not be reduced by the amount of this Deductible.

- C.** For the purposes of this endorsement, **SECTION VII – WHEN THERE IS A CLAIM** is deleted and replaced with the following:

Duties In The Event Of A "Patient Privacy Event"

- a. If a "patient privacy event" is initiated, you must:
 - (1) Immediately record the specifics of the "patient privacy event" and the date it was initiated; and
 - (2) Notify us immediately.
- b. You must promptly take all reasonable steps to mitigate the expenses associated with a "patient privacy event".
- c. You and any other involved "insured" must:
 - (1) Immediately send us copies of pertinent correspondence received in connection with the "patient privacy event";
 - (2) Authorize us to obtain records and other information; and
 - (3) Cooperate with us in our investigation of the "patient privacy event"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of a "patient privacy event" to which this insurance may also apply.

- d. You must provide us with sworn proof of your “patient privacy expenses” and any other documents we may request within 60 days of our request. You must also permit us or our authorized representatives to examine your books and records at any reasonable time and location as we choose and you, your employees and your agents must, if we require you to, submit to examination under oath at such time as may be required, and sign a copy of the examination.

- D. For the purposes of this endorsement, the following condition is added to the **CONDITIONS** Section of this Policy:

Concealment Or Fraud

We will not provide coverage under this endorsement to you, or any other insured, who at any time:

1. Engaged in fraudulent conduct; or
2. Intentionally concealed or misrepresented a material fact concerning a “patient privacy event” or “patient privacy expenses” incurred by you.

- E. For the purposes of this endorsement, the following is added to the **Other Insurance** Condition of the **CONDITIONS** Section of this Policy:

Other Insurance

If other valid and collectible insurance is available to the insured for “patient privacy expenses” reimbursable under this endorsement, this insurance is primary unless any such other insurance is also primary. In that case, this insurance will be excess over all other valid and collectible insurance.

- F. For the purposes of this endorsement, the following definitions are added to the **DEFINITIONS** Section of this Policy:

1. “Patient privacy event” means an actual or suspected incident regarding your failure to safeguard your patients’ protected health information within your network or filing system in accordance with the Security Rule or the Privacy Rule of the Health Insurance Portability and Accountability Act (HIPAA) and amendments.
2. “Patient privacy expenses” means those reasonable and necessary extra expenses, listed below, paid by you and directly related to a “patient privacy event”:
 - a. Costs of complying with state or local notification laws requiring that notification be given to your patients when the confidentiality of their protected health information has been compromised; or
 - b. Costs of hiring consultants, including forensic cyber analysts to determine whether a breach of security pertaining to your patients’ protected health information occurred and the extent of such breach;however “patient privacy expenses” specifically do not include any salary, overtime pay, loss of profits, overhead, or benefits-related expenses you pay or incur whether or not these are deemed part of **a.** through **b.** above.

- G. For the purposes of this endorsement, this policy’s exclusion of **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability** shall not apply to reimbursement of covered “patient privacy expenses” paid by you and arising out of your failure to safeguard your patients’ protected health information.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DATA BREACH EXPENSE REIMBURSEMENT ENDORSEMENT

Attached To and Forming Part of Policy	Effective Date of Endorsement 12:01AM at the Named Insured address shown on the Declarations	Named Insured
Additional Premium:	Return Premium:	

This endorsement modifies insurance provided under the following:

**MEDICAL PROFESSIONAL LIABILITY COVERAGE
LOCUM TENENS AND MEDICAL STAFFING PROFESSIONAL LIABILITY COVERAGE**

SCHEDULE

Data Breach Expense Aggregate Limit of Insurance:	
Deductible Amount Data Breach Privacy Event:	

THIS ENDORSEMENT ONLY PROVIDES REIMBURSEMENT TO YOU FOR DATA BREACH EXPENSES INCURRED BECAUSE OF A COVERED DATA BREACH EVENT. THIS ENDORSEMENT DOES NOT PROVIDE ANY LIABILITY COVERAGE OR COVERAGE FOR THE COST OR EXPENSE OF DEFENDING ANY CLAIM OR SUIT.

A. The following is added to **SECTION I – COVERAGES**:

“DATA BREACH EXPENSE” REIMBURSEMENT COVERAGE

1. Insuring Agreement

- a. We will reimburse you for “data breach expenses” paid by you because of a “data breach event” to which this insurance applies.

The amount of such reimbursement is limited as described below in B. Section **V – LIMIT OF INSURANCE AND DEDUCTIBLE**. No other obligation or liability to pay sums or perform acts or services is covered.

- b. This insurance applies to a “data breach event” only if:

- (1) You first become aware of a “data breach event” after the effective date of this endorsement and prior to the end of the “policy period”; and
- (2) The expenses are incurred by you; and
- (3) The expenses are paid by you and reported to us, with supporting documentation, within one year of the date on which you first became aware that the “data breach event” took place.

No Extended Reporting Period applies to the coverage provided by this Endorsement.

2. Exclusions

This insurance does not apply to “data breach expenses” arising out of:

a. **Defense Of Claim**

The defense of any claim or “suit” against you for any liability arising out of a “data breach event”.

b. **Third Party Damages, Fines And Penalties**

Any compensatory damages, judgments, awards, fines, penalties, punitive or exemplary or other non-compensatory damages.

c. HIPAA Breach

Failure to safeguard your patients' protected health information within your network or filing system in accordance with the Security Rule or the Privacy Rule of the Health Insurance Portability and Accountability Act (HIPAA) and amendments.

- B.** For the purposes of this endorsement, **SECTION V – LIMITS OF INSURANCE AND DEDUCTIBLE** is deleted and replaced by the following:

SECTION V – LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Data Breach Expense Aggregate Limit of Insurance shown in the Schedule above and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds; or
 - b. "Data breach events"; or
 - c. Coverage Forms included in this Policy.
2. The Data Breach Expense Aggregate Limit of Insurance shown in the Schedule above is the most we will reimburse you for the sum of all "data breach expenses" incurred and paid by you for all "data breach events" during the "policy period".
3. The Data Breach Expense Aggregate Limit of Insurance shown in the Schedule above is not in addition to the Aggregate Limit shown in the Declarations. This endorsement in no way increases the Limits of Insurance as set forth in the Declarations.
4. The Data Breach Expense Aggregate Limits of Insurance shown in the Schedule above may not be stacked or combined with the Patient Privacy Expense Aggregate Limits of Insurance of the HIPAA Related Expense Reimbursement Endorsement, if part of this Policy. In the event that this endorsement and any such HIPAA Related Expense Reimbursement Endorsement both apply to reimbursement for a single event, the maximum reimbursement under both endorsements shall not exceed the higher of the available Expense Limits of Insurance.

5. Deductible

We will only pay for the amount of "data breach expenses" which are in excess of the deductible amount, if any, shown in the Schedule above. The deductible applies separately to each "data breach event". The limits of insurance will not be reduced by the amount of this Deductible.

- C.** For the purposes of this endorsement, **SECTION VII – WHEN THERE IS A CLAIM** is deleted and replaced with the following:

Duties In The Event Of A "Data Breach Event"

- a. If a "data breach event" takes place, you must:
 - (1) Immediately record the specifics of the "data breach event" and the date you first became aware of it; and
 - (2) Notify us immediately.
- b. You must promptly take all reasonable steps to mitigate the expenses associated with a "data breach event".
- c. You and any other involved insured must:
 - (1) Immediately send us copies of pertinent correspondence received in connection with the "data breach event"; and
 - (2) Authorize us to obtain records and other information; and
 - (3) Cooperate with us in our investigation of the "data breach event"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of a “data breach event” to which this insurance may also apply.

- d. You must provide us with sworn proof of your “data breach expenses” and any other documents we may request within 60 days of our request. You must also permit us or our authorized representatives to examine your books and records at any reasonable time and location as we choose and you, your employees and your agents must, if we require you to, submit to examination under oath at such time as may be required, and sign a copy of the examination.

D. For the purposes of this endorsement, the following condition is added to the **CONDITIONS** Section of this Policy:

Concealment Or Fraud

We will not provide coverage under this endorsement to you, or any other insured, who at any time:

1. Engaged in fraudulent conduct; or
2. Intentionally concealed or misrepresented a material fact concerning a “data breach event” or “data breach expenses” incurred by you.

E. For the purposes of this endorsement, the following is added to the **Other Insurance** Condition of the **CONDITIONS** Section of this Policy:

Other Insurance

If other valid and collectible insurance is available to the insured for “data breach expenses” reimbursable under this endorsement, this insurance is primary unless any such other insurance is also primary. In that case, this insurance will be excess over all other valid and collectible insurance.

F. For the purposes of this endorsement, the following definitions are added to the **DEFINITIONS** Section of this Policy:

1. “Data breach event” means an actual incident regarding your failure to safeguard “private personal information” within your network or filing system.
2. “Data breach expenses” means those reasonable and necessary extra expenses, listed below, paid by you and directly related to a “data breach event”:
 - a. Costs of complying with state or local notification laws requiring that notification be given to your consumers, customers or employees when the confidentiality of their “private personal information” has been compromised; or
 - b. Costs of services performed by a public relations, crisis management or law firm to minimize potential harm to your business, including the cost of placing advertisements or press releases relating to such breach; or
 - c. Costs of hiring consultants, including forensic cyber analysts to determine whether a breach of security pertaining to your “private personal information” of your consumers, customers or employees occurred and the extent of such breach;

however “data breach expenses” specifically do not include any salary, overtime pay, loss of profits, overhead, or benefits-related expenses you pay or incur whether or not these are deemed part of a. through c. above.

3. “Private personal information” means any information not available to the general public, of any natural person who is your consumer, customer or employee, which can be used to identify such natural person and which is maintained by you, including but not limited to, social security numbers, account numbers for bank, credit or debit card accounts, or driver’s license numbers.

- G. For the purposes of this endorsement, this policy's exclusion of **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability** shall not apply to reimbursement of covered "data breach expenses" paid by you and arising out of your failure to safeguard "private personal information".

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION- OBSTETRICS OR SURGERY

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>		<i>Return Premium:</i>

This endorsement modifies insurance under the following:

**MEDICAL PROFESSIONAL LIABILITY COVERAGE
LOCUM TENENS AND MEDICAL STAFFING PROFESSIONAL LIABILITY COVERAGE**

The following exclusion is added to **SECTION IV – EXCLUSIONS:**

This Policy does not apply to any “claim”, “suit”, “medical incident”, or “defense costs” based upon, arising out of, or in any way involving any actual or alleged medical professional services arising out of the performance of any of the following:

- a. Obstetrics and all associated procedures and practices;
- b. Any surgery; and
- c. Assisting in any surgery.

This exclusion does not apply to:

- a. Non-surgical pre-natal care during the first trimester;
- b. Umbilical and urethral catheterization;
- c. Suture of minor lacerations;
- d. Incision of sebaceous boils and cysts;
- e. Needle aspiration of subcutaneous cysts;
- f. Incision and removal of foreign body from superficial or subcutaneous tissue; or
- g. Localized treatment of second and third degree burns.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SIGNATURE ENDORSEMENT

<i>Attached To and Forming Part of Policy</i>	<i>Effective Date of Endorsement</i> 12:01AM at the Named Insured address shown on the Declarations	<i>Named Insured</i>
<i>Additional Premium:</i>	<i>Return Premium:</i>	

This endorsement modifies insurance provided under the following:

ALL COVERAGE FORMS

By signing and delivering this policy to you, we state that it is a valid contract when signed as below by our authorized representatives.



Secretary



President

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

ADVISORY NOTICE TO POLICYHOLDERS

This Notice shall not be construed as part of your policy and no coverage is provided by this Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages your policy provides.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control administers and enforces sanctions policy, based on Presidential declarations of national emergency. OFAC has identified and listed numerous Foreign Agents, Front Organizations, Terrorists, Terrorist organizations and Narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site—<http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a "Specially Designated National and Blocked Person", as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments and no premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.