

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY**3269 Stockton Hill Road****Kingman, Arizona 86409****AGENDA (MARCH 26, 2026)**

The Governing Board of Hospital District Number One of Mohave County will meet in Regular Session on Thursday, March 26, 2026 at 2:00 p.m. The meeting will be held at the Kingman Regional Medical Center Neal Conference Room at 3269 Stockton Hill Road, Kingman, Arizona. The Board may vote to go into Executive Session pursuant to A.R.S. § 38-431.03 (A)(3) for legal advice and A.R.S. § 38-431.03 (A)(4) for discussion or consultation with attorneys regarding contracts. The following topics and any variables thereto will be subject to Hospital District Board consideration, discussion, approval, or other action.

I. CALL TO ORDER**II. ROLL CALL OF THE HOSPITAL DISTRICT BOARD MEMBERS****III. NEW BUSINESS**

- A. Discussion and possible action regarding the 5M D&O Intact Quote, increased stakeholder derivative demand sublimit from 250k to 500k, increased the privacy breach reimbursement coverage D&O sublimit from 50k to 100k, and adding a medical services exclusion, which would provide liability insurance for Hospital District Board members and their Recording Secretary. Katie Tacheron presenting.

IV. ADJOURNMENT

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the attached notice will be duly sent to the Mohave County Board of Supervisors no later than March 25, 2026 by 2:00 p.m. for posting on their public information board. Also, notice will be posted at 3269 Stockton Hill Road (Main Entrance to KRMC) in Kingman, Arizona, and on the webpage of the Hospital District Board, no later than March 25, 2026, 2:00 p.m. in accordance with the statement filed by the Hospital District Number One of Mohave County. Dated this 24th day of March 2026.

Posted by Billy Neal

Billy Neal on behalf of:

Katie Tacheron

Chairperson of Hospital District Number One of Mohave County

Additional Meeting Resources:

Microsoft Teams meeting

Join: <https://teams.microsoft.com/meet/26990982238998?p=2arbEA1weSwThbQF4o>

Meeting ID: 269 909 822 389 98

Passcode: iN9nb6hw

Matt Bishop
 McGriff, a Marsh & McLennan Agency LLC Company – Birmingham
 7701 Airport Center Dr Suite 1800
 Greensboro, NC 27409

Mar 24, 2026

Re: Hospital District Number One of Mohave County, Ref# 15219669-A
 Proposed Effective 4/1/2026 to 4/1/2027

Dear Matt:

We are pleased to confirm the attached quotation for **(D&O)** being offered with **Atlantic Specialty Insurance Company**. This carrier is **Admitted** in the state of **AZ**. Please note that this quotation is based on the coverage, terms and conditions as stated in the attached quotation, which may be different from those requested in your original submission. As you are the representative of the Insured, it is incumbent upon you to review the terms of this quotation carefully with your Insured, and reconcile any differences from the terms requested in the original submission. CRC Insurance Services, LLC disclaims any responsibility for your failure to reconcile with the Insured any differences between the terms quoted as per the attached and those terms originally requested. The attached quotation may not be bound without a fully executed CRC brokerage agreement.

NOTE: The Insurance Carrier indicated in this quotation reserves the right, at its sole discretion, to amend or withdraw this quotation if it becomes aware of any new, corrected or updated information that is believed to be a material change and consequently would change the original underwriting decision.

Should coverage be elected as quoted per the attached, Premium and Commission are as follows:

Premium:	\$20,419.00
Broker Fee	\$600.00
Grand Total:	\$21,019.00

Commission: 11%

Broker Fees & Policy Fees are Fully Earned at Binding

NOTE: If insured is located outside your resident state, you must hold appropriate non-resident license prior to binding.

If Non Admitted the following applies:

Arizona Tax Filings are the responsibility of: () Your Agency () CRC
Arizona now has two different stamps. Select appropriate stamp below.

The Surplus lines policy or evidence of coverage is issued by a surplus lines insurer that is not a domestic surplus lines insurer: Pursuant to section 20-401.01, subsection B, paragraph 1, Arizona Revised Statutes, this policy is issued by an insurer that does not possess a certificate of authority from the director of the Arizona Department of Insurance and Financial Institutions. If the insurer that issued this policy becomes

insolvent, insureds or claimants will not be eligible for insurance guaranty fund protection pursuant to title 20, Arizona Revised Statutes. (Non-Domestic Surplus Line Insurer)

The surplus lines policy or evidence of coverage is issued by a domestic surplus lines insurer: If the insurer that issued this policy becomes insolvent, insureds or claimants will not be eligible for insurance guaranty fund protection pursuant to title 20, Arizona Revised Statutes. (Domestic Surplus Line Insurer)

Upon requesting quotes and/or placement for the coverage listed herein, the producing retail broker hereby confirms that he/she has performed any and all diligent searches, as may be required by statute, for coverage through licensed carriers or other means of placement, and as necessary maintain proof of declination. Where allowed by governing statutes, "diligent effort" may not require an actual physical search and declination on each risk, but may be based on the retail producing broker's own experience, opinion and overall knowledge of acceptability in the admitted marketplace.

CRC is compensated in a variety of ways, including commissions and fees paid by insurance companies and fees paid by clients. Some insurance companies pay brokers supplemental commissions (sometimes referred to as "contingent commissions" or "incentive commissions"), which is compensation that is based on a broker's performance with that carrier. These supplemental commissions may be based on volume, profitability, retention, growth or other measures. Even if a contingent commission agreement exists with a carrier, we recognize that our responsibility is to promote the best interests of the policyholder in the selection of an insurance company. For more information on CRC's compensation, please contact your CRC broker.

Financing Insurance Premiums


Premium financing budgets insurance payments and improves liquidity for other business objectives: working capital, business growth, building expansion.

If your clients choose to pay their insurance in monthly installments, it's fast and easy with AFCO Premium Finance. AFCO provides premium financing solutions for large, mid-size and small corporate accounts;

Find out how premium financing works and how it can expand your relationship with your clients by e-mailing AFCODirect@afco.com; or **call toll-free 877-317-6437**.

Sincerely,

Alex Gould, RPLU
205-414-2438
agould@crcgroup.com
15219669

 management liability		Quote
intactspecialty.com/management-liability		
03.24.2026	Health Care Organization Management Liability - Primary	

Agent

Matt Bishop
McGriff, a Marsh & McLennan Agency LLC Company

Applicant

Hospital District Number One of Mohave
County
3269 N Stockton Hill Rd.
Kingman, AZ 86409

Intact Insurance is pleased to provide the following Health Care Organization Management Liability quotation to you.

Policy Period	Annual			
Policy Aggregate Limit	\$5,000,000 (for all purchased Liability Coverage Sections combined)			
Liability Coverage Section	Separate Limit of Liability	Shared Limit of Liability	Retention	P&P Litigation Date
D&O and Organization Liability ("D&O")	\$5,000,000	N/A Shared with: N/A	Clause A: \$0 Clause B: \$100,000 Clause C: \$100,000	TBD
Total Premium Charged for all Coverages:	\$20,419 + \$600 Broker Fee			
Premium is due and payable no later than forty five (45) days after the date of binding Failure to pay the premium in full may result in cancellation of coverage				

D&O Other Specific Limits	Limits		
Additional Limit of Liability Dedicated for Executives	\$500,000		
HIPAA Claim Sublimit	\$100,000		
Excess Benefit Transaction Excise Tax Sublimit	\$100,000		
Internal Revenue Code Violation Sublimit	\$100,000		
EMTALA Claim Sublimit	\$150,000		
Stakeholder Derivative Demand Sublimit	\$500,000		
D&O Crisis Management Expenses Limit	\$25,000		
	Limits	Separate Retention	Coinsurance
Antitrust Claim	\$5,000,000	\$150,000	20%
Regulatory Claim	\$1,000,000	\$1,000,000	50%
Policy Aggregate Sublimit For All E-Discovery Consultant Services: \$25,000 (for all purchased Liability Coverage Sections combined)			
Type of Claim Defense: Duty to Defend			

Policy Forms and Endorsements		Section(s)
MPF-10001-08-22	Healthcare Organization Management Liability Policy General Terms and Conditions Section	GTC
MPF-10001-DO-06-18	Healthcare Organization Management Liability Policy Directors, Officers & Organization Liability Coverage Section	D&O
AMP-00009-08-22	Producer Endorsement	GTC
MPE-00024-09-10	State Amendatory Inconsistency	GTC
MPE-03020C-04-21	Professional E&O Exclusion	D&O
MPE-03030A-06-18	Cap on Losses from Certified Acts of Terrorism	D&O
MPE-03057-06-18	Privacy Breach Reimbursement Coverage Sublimit: \$100,000	D&O
MPE-13076-08-25	Medical Services Exclusion	D&O
Insurance Company	Atlantic Specialty Insurance Company This is an Admitted Policy.	
A.M. Best Rating:	A+ (Superior)	
Quote Expiration Date	05.12.2026	
Conditions	This quote is subject to Intact Insurance's receipt, review and acceptance of the outstanding conditions noted below prior to binding. The underwriter may elect at its discretion to accept an order to bind subject to receipt of such outstanding conditions within a specified timeframe. <ul style="list-style-type: none"> • Prior to Binding: Currently signed and dated application • Prior to Binding: Completed warranty statement 	
Extended Reporting Period (ERP)	ERP Option(s) are as follows: <ul style="list-style-type: none"> • 12 months at 100% of Full Annual Premium 	
Commission	11.00% It is the general practice of Intact Insurance to show the following	

commission related legend (with an "X" in the appropriate space) on our quote and binder letters.

Gross Premium

The Underwriter will pay a percentage of the premium shown above as brokerage commission. The Underwriter does not pay contingent or deferred commissions. Consult your broker for information concerning commission.

Net Premium

The premium shown above is net, and the Underwriter will pay no brokerage commission of any kind thereon.

General

The coverage descriptions contained in this quotation(s) are for summary purposes only. Please read the policy for complete coverage information.

Intact Insurance Specialty Solutions is the marketing brand for the insurance company subsidiaries of Intact Insurance Group USA LLC, a member of Intact Financial Corporation (TSX: IFC), the largest provider of property and casualty insurance in Canada and a leading specialty insurance carrier in North America. The insurance company subsidiaries of Intact Insurance Group USA LLC include Atlantic Specialty Insurance Company, a New York insurer, Homeland Insurance Company of New York, a New York insurer, Homeland Insurance Company of Delaware, a Delaware insurer, OBI America Insurance Company, a Pennsylvania insurer, and OBI National Insurance Company, a Pennsylvania insurer. Each of these insurers maintains its principal place of business at 605 Highway 169 N, Plymouth, MN 55441.

Insured Name and Address:

Quote Number: 4529849-2

Hospital District Number One of Mohave County
3269 N Stockton Hill Rd.
Kingman, AZ 86409

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act (the Act), as amended, your policy will provide insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80%, BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM TO BE CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

There is no premium charge for coverage for losses caused by acts of terrorism, as defined in the Act. Since coverage for acts of terrorism, as defined in the Act, is being provided in your policy you do not need to take any action with respect to this notice.



intactspecialty.com

RE: Health Care Organization Management Liability
Hospital District Number One of Mohave County

Policy

Account No: 370386

Policy No: NOT-BOUND

SPECIMEN

605 Highway 169 North
Suite 800
Plymouth, MN 55441

952.852.2431

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder 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 you are provided.

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 (OFAC) 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 nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

Insured Name and Address:

Hospital District Number One of Mohave C
3269 N Stockton Hill Rd.
Kingman, AZ 86409

Policy Number: NOT-BOUND

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is included in your policy. You are hereby notified that the Terrorism Risk Insurance Act (the Act), as amended, defines an act of terrorism in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80%, beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

There is no premium charge for coverage for losses caused by acts of terrorism, as defined in the Act.

Since coverage for acts of terrorism, as defined in the Act, is being provided in your policy you do not need to take any action with respect to this notice.

If you have any questions about this notice, please contact your agent.

Atlantic Specialty Insurance Company
 605 Highway 169 North
 Suite 800
 Plymouth, MN 55441
 (hereinafter referred to as the "Underwriter")



Policy Number: NOT-BOUND

DECLARATIONS

**HEALTHCARE ORGANIZATION
 MANAGEMENT LIABILITY POLICY**

THE COVERAGE AFFORDED BY THIS POLICY DIFFERS IN SOME RESPECTS FROM THAT AFFORDED BY OTHER POLICIES. PLEASE READ THIS POLICY CAREFULLY.

ITEM 1. NAMED ORGANIZATION:			
Name and Principal Address: Hospital District Number One of Mohave County 3269 N Stockton Hill Rd. Kingman, AZ 86409			
ITEM 2. POLICY PERIOD:			
(a) Inception Date: May 12, 2026 (b) Expiration Date: May 12, 2027 Both dates at 12:01 a.m. at the Principal Address in ITEM 1.			
ITEM 3. COVERAGE SECTION(S) PURCHASED AND PENDING OR PRIOR DATE(S):			
<u>Coverage Section</u>	<u>Purchased</u>		<u>Pending or Prior Date</u>
Directors, Officers & Organization Liability ("D&O")	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	TBD
Additional Limit of Liability Dedicated for Executives	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	
Employment Practices Liability ("EPL")	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	Not Applicable
Fiduciary Liability ("FLI")	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	Not Applicable
Miscellaneous Professional Liability ("MPL")	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	Not Applicable
Information Risk and Recovery ("IRR")	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	Not Applicable
Employed Lawyers Professional Liability ("ELPL")	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	Not Applicable
Crime Coverage ("Crime")	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	Not Applicable

ITEM 4. LIABILITY COVERAGE SECTION(S) – LIMITS OF LIABILITY:			
Coverage Section	Separate Limit of Liability	Shared Limit of Liability	Other Applicable Limit(s) of Liability
D&O	\$5,000,000	Shared: N/A Shared with: N/A	Additional Limit of Liability Dedicated for Executives: \$500,000 Antitrust Claim Sublimit: \$5,000,000 Regulatory Claim Defense Sublimit: \$1,000,000 HIPAA Claim Sublimit: \$100,000 Excess Benefit Transaction Excise Tax Sublimit: \$100,000 Internal Revenue Code Violation Sublimit: \$100,000 EMTALA Claim Sublimit: \$150,000 Stakeholder Derivative Demand Sublimit: \$500,000 D&O Crisis Management Expenses Limit: \$25,000
EPL	Not Covered	Shared: N/A Shared with: N/A	Illegal Hiring or Harboring Sublimit: Not Covered Employment Crisis Management Expenses Limit: Not Covered
FLI	Not Covered	Shared: N/A Shared with: N/A	HIPAA Penalties Sublimit: Not Covered Section 502(c) Penalties Sublimit: Not Covered Section 507 Penalties Sublimit: Not Covered PPACA Penalties Sublimit: Not Covered Section 4975 Tax Penalties Sublimit: Not Covered Voluntary Settlement Program Coverage Sublimit: Not Covered Pension Crisis Management Expenses Limit: Not Covered
MPL	Not Covered	Shared: N/A Shared with: N/A	Disciplinary or Licensing Proceeding Expenses Sublimit: Not Covered Subpoena Assistance Limit: Not Covered MPL Crisis Management Expenses Limit: Not Covered

IRR	Not Covered	Shared: N/A Shared with: N/A	Privacy Administrative Proceeding Aggregate Sublimit: Not Covered Privacy Administrative Fines and Consumer Redress Fund Costs Sublimit: Not Covered Combined First-Party Loss Limit: Not Covered Breach Consultation Services Limit: Not Covered Incident Management Expenses Limit: Not Covered Information Restoration Expenses Limit: Not Covered Hardware Replacement Expenses Limit: Not Covered Extortion Payments and Rewards Limit: Not Covered Forensic Expenses Limit: Not Covered
ELPL	Not Covered	Shared: N/A Shared with: N/A	Intra-Organization Claims Defense Sublimit: Not Covered
POLICY AGGREGATE SUBLIMIT FOR ALL E-DISCOVERY CONSULTANT SERVICES: \$25,000 (for all purchased Liability Coverage Sections combined)			
POLICY AGGREGATE LIMIT OF LIABILITY: \$5,000,000 (for all purchased Liability Coverage Sections combined)			
ITEM 5. LIABILITY COVERAGE SECTION(S) – RETENTIONS:			
Coverage Section		Retention	
D&O	\$0	each Claim under Insuring Agreement (A).	
	\$100,000	each Claim under Insuring Agreement (B), other than an Antitrust Claim or a Regulatory Claim .	
	\$100,000	each Claim under Insuring Agreement (C), other than an Antitrust Claim or a Regulatory Claim .	
	\$150,000	each Antitrust Claim under Insuring Agreement (B) or (C).	
	\$1,000,000	each Regulatory Claim under Insuring Agreement (B) or (C).	
EPL	Not Covered	each Employment Claim under Insuring Agreement (A).	
	Not Covered	each Third Party Claim under Insuring Agreement (B).	
FLI	Not Covered	each Fiduciary Claim under Insuring Agreement (A).	
MPL	Not Covered	each Claim under Insuring Agreement (A).	
	Not Covered	each Claim under Insuring Agreement (B).	

IRR	<u>Not Covered</u> each Claim under Insuring Agreement (A)(1).	
	<u>Not Covered</u> each Claim under Insuring Agreement (A)(2).	
	<u>Not Covered</u> each Privacy Administrative Proceeding under Insuring Agreement (A)(3).	
	<u>Not Covered</u> each Information Risk Incident under Insuring Agreement (B)(1).	
	<u>Not Covered</u> each Information Risk Incident or Extortion under Insuring Agreement (B)(2).	
	<u>Not Covered</u> each Information Risk Incident under Insuring Agreement (B)(3).	
	<u>Not Covered</u> each Information Risk Incident under Insuring Agreement (B)(4).	
	<u>Not Covered</u> each Extortion under Insuring Agreement (B)(5).	
<u>Not Covered</u> each Information Risk Incident under Insuring Agreement (B)(6).		
ELPL	<u>Not Covered</u> each Claim under Insuring Agreement (A).	
	<u>Not Covered</u> each Claim under Insuring Agreement (B).	
ITEM 6. D&O COVERAGE SECTION – CO-INSURANCE PERCENTAGES (If purchased): (A) Antitrust Claims: <u>20%</u> (B) Regulatory Claims: <u>50%</u>		
ITEM 7. RETROACTIVE DATE(S) (If applicable): MPL COVERAGE SECTION: <u>Not Applicable</u> IRR COVERAGE SECTION: <u>Not Applicable</u>		
ITEM 8. LIABILITY COVERAGE SECTION(S) - TYPE OF CLAIM DEFENSE: <input checked="" type="checkbox"/> Duty to Defend <input type="checkbox"/> Reimbursement		
ITEM 9. CRIME COVERAGE SECTION – LIMITS OF LIABILITY AND DEDUCTIBLES (If purchased):		
Insuring Agreement	Per Occurrence Limit of Liability	Deductible
(A)(1) Employee Theft Coverage	Not Covered	Not Covered
(A)(2) Employee Theft of Client Property Coverage	Not Covered	Not Covered
(A)(3) Employee Benefit Plan Coverage	Not Covered	Not Covered
(B) Forgery or Alteration Coverage	Not Covered	Not Covered
(C) Premises Coverage – Theft of Money or Securities	Not Covered	Not Covered
(D) Premises Coverage – Robbery or Safe Burglary of Other Property	Not Covered	Not Covered
(E) Outside the Premises Coverage	Not Covered	Not Covered
(F)(1) Computer Fraud Coverage	Not Covered	Not Covered
(F)(2) Computer Data Restoration Expenses Coverage	Not Covered	Not Covered

(G) Funds Transfer Fraud Coverage	Not Covered	Not Covered
(H) Money Orders and Counterfeit Paper Currency Coverage	Not Covered	Not Covered
(I) Social Engineering Fraud Coverage	Not Covered	Not Covered
(J)(1) Personal Accounts Forgery or Alteration Coverage	Not Covered	Not Covered
(J)(2) Identity Fraud Expense Reimbursement Coverage	Not Covered	Not Covered
(K) Investigative Costs Coverage	Not Covered	As per the applicable Insuring Agreement

If "Not Covered" is inserted opposite any specified Insuring Agreement above as the Per Occurrence Limit of Liability, such Insuring Agreement and any other reference thereto is deemed to be deleted from this Policy.

ITEM 10. MPL COVERAGE SECTION – PROFESSIONAL SERVICES (If purchased):

ITEM 11. TERMINATION OF PRIOR POLICIES:

N/A

ITEM 12. POLICY PREMIUM: \$20,419

Gross Premium: The Underwriter will pay a percentage of the Premium shown above as brokerage commission. The Underwriter does not pay contingent or deferred commissions. Consult your broker for information concerning commission.

Net Premium: The Premium shown above is net, and the Underwriter will pay no brokerage commission of any kind thereon.

This Policy provides coverage for acts of terrorism as defined in the Terrorism Risk Insurance Act in accordance with all of the terms and conditions of this Policy (including all endorsements attached hereto). The premium attributable to this coverage is \$0.

This Policy specifically excludes coverage for acts of terrorism in accordance with all of the terms and conditions of this Policy (including all endorsements attached hereto).

ITEM 13. EXTENDED REPORTING PERIOD OPTION(S):

12 months AT 100% of the full annual premium for the applicable Liability Coverage Section

ITEM 14. NOTICE TO THE UNDERWRITER:

(A) ALL NOTICES TO THE UNDERWRITER OF CLAIMS, CIRCUMSTANCES, EVENTS OR FIRST-PARTY INCIDENTS UNDER ANY LIABILITY COVERAGE SECTION, OR OF OCCURRENCES UNDER THE CRIME COVERAGE SECTION, MUST BE ADDRESSED TO:


Claims
Intact Insurance
605 Highway 169 North, Suite 800
Plymouth, MN 55441
-or-
ClaimsUSA@intactinsurance.com

(B) ALL OTHER NOTICES REQUIRED TO BE GIVEN TO THE UNDERWRITER MUST BE ADDRESSED TO:

Intact Insurance Management Liability
605 Highway 169 North, Suite 800
Plymouth, MN 55441

ITEM 15. POLICY FORM AND ENDORSEMENTS ATTACHED AT ISSUANCE:		
MPF-10001-08-22	Healthcare Organization Management Liability Policy General Terms and Conditions Section	GTC
MPF-10001-DO-06-18	Healthcare Organization Management Liability Policy Directors, Officers & Organization Liability Coverage Section	D&O
AMP-00009-08-22	Producer Endorsement	GTC
MPE-00024-09-10	State Amendatory Inconsistency	GTC
MPE-03020C-04-21	Professional E&O Exclusion	D&O
MPE-03030A-06-18	Cap on Losses from Certified Acts of Terrorism	D&O
MPE-03057-06-18	Privacy Breach Reimbursement Coverage	D&O
MPE-13076-08-25	Medical Services Exclusion	D&O

These Declarations, the completed signed Application, and the Policy (together with any and all endorsements thereto) shall constitute the entire agreement between the Underwriter and the Insured(s).

Atlantic Specialty Insurance Company	
By:	
	March 12, 2026
Its Authorized Representative	Date:

HEALTHCARE ORGANIZATION MANAGEMENT LIABILITY POLICY	
General Terms and Conditions Section	



PORTIONS OF THIS POLICY APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR APPLICABLE EXTENDED REPORTING PERIOD WITH DEFENSE EXPENSES INCLUDED IN THE LIMITS OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Underwriter, and subject to the Declarations and all of the terms, conditions and limitations of this Policy, the Underwriter and the **Insureds** agree as follows:

I. TERMS AND CONDITIONS

Except for these General Terms and Conditions or unless stated to the contrary in any Coverage Section of this Policy, the terms, conditions and limitations of each Coverage Section shall apply only to that Coverage Section. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms, conditions and limitations of any Coverage Section, the terms, conditions and limitations of such Coverage Section shall control for purposes of that Coverage Section. Any defined term referenced in these General Terms and Conditions but defined in a Coverage Section shall, for purposes of coverage under that Coverage Section, have the meaning set forth in that Coverage Section.

II. DEFINITIONS

- (A) **"Affiliate"** means any entity, other than a **Subsidiary**, during such time as the **Named Organization** or any **Subsidiary** has the authority to direct the financial or managerial decision making of such entity, whether through the operation of law, contract or agreement, stock ownership or membership, charter, articles of incorporation, or by-law provisions.
- (B) **"Application"** means the application(s) attached to and forming part of this Policy, including any materials submitted and statements made in connection therewith, all of which are on file with the Underwriter and are a part of this Policy, as if physically attached; provided, that any such statements or filings submitted in connection with the application(s) were made within twelve (12) months of the Inception Date of this Policy. If any **Application** uses any terms or phrases that differ from terms defined in this Policy, no inconsistency between any term or phrase used in the **Application** and any term defined in this Policy will waive or change any of the terms and conditions of this Policy.
- (C) **"Claim"** shall have the meaning set forth in the applicable **Liability Coverage Section**.
- (D) **"Defense Expenses"** means reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses incurred in defending any **Claim**, including the cost of **E-Discovery Consultant Services**, and the premium for appeal, attachment or similar bonds. **Defense Expenses** does not include any remuneration, salaries, wages, fees, overhead or benefit expenses of any **Insured**.
- (E) **"Domestic Partner"** means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or under the provisions of any formal program established by the **Organization**.
- (F) **"E-Consultant Firm"** means any e-discovery consulting firm selected by the Underwriter to perform **E-Discovery Consultant Services** in connection with a **Claim**.

- (G) **"E-Discovery Consultant Services"** means the following services performed by an **E-Consultant Firm**:
- (1) assisting the **Insured** with managing and minimizing the internal and external costs associated with the development, collection, storage, organization, cataloging, preservation and/or production of electronically stored information ("**E-Discovery**");
 - (2) assisting the **Insured** in developing or formulating an **E-Discovery** strategy which shall include interviewing qualified and cost effective **E-Discovery** vendors;
 - (3) serving as project manager, advisor and/or consultant to the **Insured**, defense counsel and the Underwriter in executing and monitoring the **E-Discovery** strategy; and
 - (4) such other services provided by the **E-Consultant Firm** that the **Insured**, the Underwriter and **E-Consultant Firm** agree are reasonable and necessary given the circumstances of the **Claim**.
- (H) **"Executive"** shall have the meaning set forth in the applicable Coverage Section.
- (I) **"Financial Impairment"** means the status of an **Organization** resulting from:
- (1) the appointment by any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Organization**; or
 - (2) such **Organization** becoming a debtor in possession under the United States bankruptcy law or the equivalent of a debtor in possession under the law of any other country.
- (J) **"First-Party Incident"** shall have the meaning set forth in the Information Risk and Recovery Coverage Section.
- (K) **"Foreign Jurisdiction"** means any jurisdiction, other than the United States of America or any of its territories or possessions.
- (L) **"Insured"** shall have the meaning set forth in the applicable Coverage Section.
- (M) **"Insured Person"** shall have the meaning set forth in the applicable **Liability Coverage Section**.
- (N) **"Liability Coverage Section"** means the Directors, Officers and Organization Liability, Employment Practices Liability, Fiduciary Liability, Miscellaneous Professional Liability, Information Risk and Recovery and Employed Lawyers Professional Liability Coverage Sections of this Policy, if purchased as stated in ITEM 3 of the Declarations.
- (O) **"Loss"** shall have the meaning set forth in the applicable **Liability Coverage Section**.
- (P) **"Management Control"** shall mean: (1) owning interests representing more than fifty percent (50%) of the voting, appointment or designation power for the selection of a majority of the Board of Directors of a corporation or organization, the management committee members of a joint venture or partnership, or the members of the management board of a limited liability company; or (2) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an organization, to elect, appoint or designate a majority of the Board of Directors of a corporation or organization, the management committee of a joint venture or partnership or the management board of a limited liability company.
- (Q) **"Named Organization"** means the entity designated as such in ITEM 1 of the Declarations.
- (R) **"Occurrence"** shall have the meaning set forth in the Crime Coverage Section.

- (S) **"Organization"** means: (1) the **Named Organization**; (2) subject to the provisions of Section XI of these General Terms and Conditions, any **Subsidiary** thereof; and (3) any **Affiliate** listed by written endorsement to this Policy, but solely with respect to the Coverage Section(s) indicated on such endorsement. **Organization** shall also mean the **Named Organization** or any such **Subsidiary** in its capacity as a debtor in possession.
- (T) **"Per Occurrence Limit of Liability"** means the applicable Per Occurrence Limit of Liability stated in ITEM 9 of the Declarations.
- (U) **"Policy Aggregate Limit of Liability"** means the Policy Aggregate Limit of Liability stated in ITEM 4 of the Declarations.
- (V) **"Policy Period"** means the period from the Inception Date of this Policy stated in ITEM 2(a) of the Declarations to the Expiration Date of this Policy stated in ITEM 2(b) of the Declarations or to any earlier cancellation of this Policy.
- (W) **"Related Claims"** means all **Claims** for **Wrongful Acts** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events, whether related logically, causally or in any other way.
- (X) **"Separate Limit of Liability"** means the applicable Separate Limit of Liability, if any, stated in ITEM 4 of the Declarations.
- (Y) **"Shared Limit of Liability"** means the applicable Shared Limit of Liability, if any, stated in ITEM 4 of the Declarations, which limit of liability shall be shared between all **Liability Coverage Sections** listed below such Shared Limit of Liability in the Declarations.
- (Z) **"Subsidiary"** means, subject to the provisions of Section XI of these General Terms and Conditions, any not-for-profit entity, and any for-profit entity whose securities are not publicly traded, during any time which the **Named Organization** has **Management Control** of such entity, either directly or through one or more **Subsidiaries**.
- (AA) **"Wrongful Act"** shall have the meaning set forth in the applicable **Liability Coverage Section**.

III. LIMITS OF LIABILITY

- (A) With respect to the **Liability Coverage Sections**, the following shall apply:

(1) **Policy Aggregate Limit of Liability**

The **Policy Aggregate Limit of Liability** stated in ITEM 4 of the Declarations is the maximum limit of the Underwriter's liability for all **Loss** under all **Liability Coverage Sections** combined resulting from all **Claims** or **Related Claims** and all **First-Party Incidents** (if the Information Risk and Recovery Coverage Section is purchased as stated in ITEM 3 of the Declarations) for which such **Liability Coverage Sections** provide coverage.

(2) **Separate Limits of Liability**

If a **Separate Limit of Liability** is stated in ITEM 4 of the Declarations for any **Liability Coverage Section**, then such **Separate Limit of Liability** shall be the maximum limit of the Underwriter's liability for all **Loss** under such **Liability Coverage Section** resulting from all **Claims** or **Related Claims** and all **First-Party Incidents** (with respect to the Information Risk and Recovery Coverage Section) for which such **Liability Coverage Section** provides coverage. Any such **Separate Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** stated in ITEM 4 of the Declarations and shall in no way serve to increase such **Policy Aggregate Limit of Liability**.

(3) **Shared Limits of Liability**

If a **Shared Limit of Liability** is stated in ITEM 4 of the Declarations for any **Liability Coverage Sections**, then such **Shared Limit of Liability** shall be the maximum limit of the Underwriter's liability for all **Loss** under all **Liability Coverage Sections** to which such **Shared Limit of Liability** is applicable, as indicated in ITEM 4 of the Declarations, resulting from all **Claims** or **Related Claims** and all **First-Party Incidents** (with respect to the Information Risk and Recovery Coverage Section) for which such **Liability Coverage Sections** provide coverage. Any such **Shared Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** stated in ITEM 4 of the Declarations and shall in no way serve to increase such **Policy Aggregate Limit of Liability**.

(4) **Policy Aggregate Sublimit for E-Discovery Consultant Services**

The Policy Aggregate Sublimit for E-Discovery Consultant Services stated in ITEM 4 of the Declarations shall be the maximum limit of the Underwriter's liability for all **E-Discovery Consultant Services** resulting from all **Claims** or **Related Claims** under all **Liability Coverage Sections** combined. Such Policy Aggregate Sublimit for E-Discovery Consultant Services shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** and the **Separate Limit of Liability** or **Shared Liability of Liability** applicable under such **Liability Coverage Sections**.

(5) **Defense Expenses** are part of and not in addition to the applicable Limits of Liability stated in ITEM 4 of the Declarations, and payment of **Defense Expenses** by the Underwriter will reduce, and may exhaust, such applicable Limits of Liability.

(6) In the event that a **Claim** is covered under more than one **Liability Coverage Section**, then the maximum limit of the Underwriter's liability for all **Loss** resulting from such **Claim** shall not exceed the largest single applicable Limit of Liability available under any such **Liability Coverage Section**.

(7) If the **Separate Limit of Liability** or **Shared Limit of Liability** applicable to any **Liability Coverage Section** is exhausted by the Underwriter's payment of **Loss**, all obligations of the Underwriter under such **Liability Coverage Section(s)** will be completely fulfilled and exhausted, and the premium for such **Liability Coverage Section(s)** will be fully earned.

(B) With respect to the Crime Coverage Section, the following shall apply:

The applicable **Per Occurrence Limit of Liability** stated in ITEM 9 of the Declarations shall be the maximum limit of the Underwriter's liability for all loss resulting from an **Occurrence**, regardless of the number of **Insureds** sustaining such loss.

IV. RETENTIONS

(A) The Retentions stated in ITEM 5 of the Declarations are separate Retentions pertaining only to the **Liability Coverage Section** for which they are stated in the Declarations, subject to paragraph (D) below.

(B) No retention shall apply to the first \$25,000 of **E-Discovery Consultant Services** incurred by the **Insured** in connection with a **Claim**.

(C) In the event that different Retentions apply to a **Claim** covered under one **Liability Coverage Section**, it is understood and agreed that only one Retention shall apply to such **Claim**, which shall be the single highest applicable Retention.

- (D) In the event a **Claim** is covered under more than one **Liability Coverage Section**, it is understood and agreed that only one Retention shall apply to such **Claim**, which shall be the single highest applicable Retention.

V. SPOUSES, ESTATES AND LEGAL REPRESENTATIVES

- (A) Subject to all limitations, conditions, provisions and other terms of these General Terms and Conditions and of any applicable **Liability Coverage Section**, coverage shall extend to **Claims** for the **Wrongful Acts** of an **Insured Person** made against:
- (1) the estate, heirs, legal representatives or assigns of such **Insured Person** if such **Insured Person** is deceased or the legal representatives or assigns of such **Insured Person** if such **Insured Person** is incompetent, insolvent or bankrupt; or
 - (2) the lawful spouse or **Domestic Partner** of such **Insured Person** solely by reason of such spouse's or **Domestic Partner's** status as a spouse or **Domestic Partner**, or such spouse's or **Domestic Partner's** ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** of such **Insured Person**.
- (B) All provisions of these General Terms and Conditions and of any applicable **Liability Coverage Section**, including without limitation the Retention, that are applicable to **Loss** incurred by the **Insured Person** shall also apply to loss incurred by the estate, heirs, legal representatives, assigns, spouse and/or **Domestic Partner** of such **Insured Person**. The coverage extended pursuant to this Section V shall not apply with respect to any loss resulting from an actual or alleged act, error or omission by an **Insured Person's** estate, heirs, legal representatives, assigns, spouse or **Domestic Partner**.

VI. CLAIM DEFENSE

- (A) If Duty to Defend coverage is provided with respect to the **Liability Coverage Sections**, as indicated in ITEM 8 of the Declarations, the Underwriter will have the right and duty to defend any **Claim** covered under a **Liability Coverage Section** through counsel of its choice, even if the allegations of such **Claim** are groundless, false, or fraudulent; provided, that the Underwriter's obligation to defend any **Claim** covered under such **Liability Coverage Section** is subject to the applicable Retention and Coinsurance Percentage and the Underwriter's applicable Limits of Liability stated in ITEM 4 of the Declarations. The Underwriter will have no obligation to defend or continue to defend any **Claim** after the Underwriter's applicable Limits of Liability have been exhausted by the payment of **Loss**.
- (B) If Reimbursement coverage is provided with respect to the **Liability Coverage Sections**, as indicated in ITEM 8 of the Declarations:
- (1) It shall be the duty of the **Insureds** and not the duty of the Underwriter to defend any **Claim** covered under a **Liability Coverage Section**. The Underwriter shall have the right to participate with the **Insureds** in the investigation, defense and settlement of any **Claim**, including but not limited to the selection of appropriate defense counsel and the negotiation of a settlement of any **Claim** that appears reasonably likely to be covered in whole or in part by such **Liability Coverage Section**.
 - (2) Upon written request, the Underwriter will pay **Defense Expenses** owed under a **Liability Coverage Section** on a current basis no later than sixty (60) days after receipt by the Underwriter of itemized bills for such **Defense Expenses**. Such advanced payments by the Underwriter shall be repaid to the Underwriter by the **Insureds** severally according to their respective interests in the event and to the extent that the **Insureds** shall not be entitled to payment of such **Defense Expenses** under such **Liability Coverage Section**. As a condition of any payment of **Defense Expenses** before the final disposition of a **Claim**, the Underwriter may require a written undertaking on terms and conditions satisfactory to the Underwriter guaranteeing the repayment of any **Defense Expenses** paid to or on behalf of any **Insured** if it is finally determined that any such **Claim** or portion of any **Claim** is not covered under such

Liability Coverage Section. Except for **Defense Expenses** paid in accordance with this paragraph (2), the Underwriter will have no obligation to pay any **Loss** before the final disposition of a **Claim**.

VII. ALLOCATION

- (A) If Duty to Defend coverage is provided with respect to the **Liability Coverage Sections**, as indicated in ITEM 8 of the Declarations, and there is a **Claim** under a **Liability Coverage Section** in which both **Loss** covered by such **Liability Coverage Section** and loss not covered by such **Liability Coverage Section** are incurred, either because such **Claim** made against the **Insureds** includes both covered and uncovered matters, or because such **Claim** is made against both **Insureds** and others not included within the definition of "**Insured**," then such covered **Loss** and uncovered loss shall be allocated as follows:
- (1) one hundred percent (100%) of **Defense Expenses** incurred by the **Insureds** in connection with such **Claim** shall be allocated to covered **Loss**; and
 - (2) all loss, other than **Defense Expenses**, incurred by the **Insureds** in connection with such **Claim** shall be allocated between covered **Loss** and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and/or settlement of the **Claim** by the **Insured Persons**, the **Organization** and others. In making such a determination, the **Organization**, the **Insured Persons** and the Underwriter agree to use their best efforts to determine a fair and proper allocation of all such amounts. In the event that the Underwriter and the **Insureds** do not reach an agreement with respect to an allocation, then the Underwriter shall be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this Policy and applicable law.
- (B) If Reimbursement coverage is provided with respect to the **Liability Coverage Sections**, as indicated in ITEM 8 of the Declarations, and there is a **Claim** under a **Liability Coverage Section** in which both **Loss** covered by such **Liability Coverage Section** and loss not covered by such **Liability Coverage Section** are incurred, either because such **Claim** made against the **Insureds** includes both covered and uncovered matters, or because such **Claim** is made against both **Insureds** and others not included within the definition of "**Insured**," the **Organization**, the **Insured Persons** and the Underwriter agree to use their best efforts to determine a fair and proper allocation of all such amounts. The Underwriter's obligation to pay **Loss** under such **Liability Coverage Section** shall relate only to those sums allocated to the **Insureds**. In making such determination, the parties shall take into account the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and/or settlement of the **Claim** by the **Insured Persons**, the **Organization** and others. In the event that the Underwriter and the **Insureds** do not reach an agreement with respect to an allocation, then the Underwriter shall be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this Policy and applicable law.

VIII. NOTICE

- (A) Any notice to the Underwriter with respect to any Coverage Section shall designate the Coverage Section under which notice is being given and shall be treated as notice only under the Coverage Section(s) so designated.
- (B) Notice to the Underwriter shall be sent to the address designated in ITEM 14 of the Declarations. Any such notice to the Underwriter shall be effective on the date of receipt by the Underwriter at such address.
- (C) Notice to the **Insured** shall be sent to the **Named Organization** at the address designated in ITEM 1 of the Declarations.

IX. TERRITORY

Coverage shall extend anywhere in the world. Any payments under this Policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

X. EXTENDED REPORTING PERIOD

If any **Liability Coverage Section** is canceled for any reason other than non-payment of premium or is not renewed by the Underwriter or the **Named Organization**, then solely with respect to such **Liability Coverage Section** that was canceled or not renewed, an additional period of time during which **Claims** may be reported under this Policy (an "Extended Reporting Period") shall be made available as described in this Section X, but any such Extended Reporting Period shall apply only to **Claims for Wrongful Acts** committed or allegedly committed before the effective date of such cancellation or non-renewal ("Termination Date") or the effective date of any event described in Section XI (B) or (C) below, whichever is earlier. No Extended Reporting Period shall in any way increase the Underwriter's Limits of Liability stated in ITEM 4 of the Declarations, and the Underwriter's Limits of Liability for **Claims** made during any Extended Reporting Period shall be part of, and not in addition to, the applicable Limits of Liability stated in ITEM 4 of the Declarations. The offer of renewal terms, conditions, limits of liability, retentions or premium different from those in effect prior to renewal shall not constitute cancellation or refusal to renew for purposes of this Section X.

The **Named Organization** may purchase an Extended Reporting Period for one of the periods of time stated in ITEM 13 of the Declarations by notifying the Underwriter in writing of its intention to do so no later than sixty (60) days after the Termination Date. The additional premium for an Extended Reporting Period shall equal the applicable percentage, as stated in ITEM 13 of the Declarations, of the full annual premium (including any premium adjustments made during the **Policy Period**) for the applicable **Liability Coverage Section**, and must be paid no later than sixty (60) days after the Termination Date. The entire additional premium shall be deemed fully earned upon inception of such Extended Reporting Period.

If no election to purchase an Extended Reporting Period is made as described above, or if the additional premium for any such Extended Reporting Period is not paid within sixty (60) days after the Termination Date, there will be no right to purchase any Extended Reporting Period at any later time.

XI. CHANGES IN EXPOSURE

(A) Acquisition/Creation of Another Organization

(1) If before or during the **Policy Period** any **Organization**:

- (a) acquires **Management Control** in another organization or creates another organization, which as a result of such acquisition or creation becomes a **Subsidiary**; or
- (b) acquires another organization by merger into or consolidation with the **Organization** such that the **Organization** is the surviving entity,

then with respect to:

- (i) any **Liability Coverage Section**, other than the Employed Lawyers Professional Liability Coverage Section: coverage shall be provided for such other organization and its **Insureds** solely for **Wrongful Acts** committed or allegedly committed after the effective date of such acquisition or creation unless the Underwriter agrees, after presentation of a complete application and all other appropriate information, to provide coverage by written endorsement for **Wrongful Acts** committed or allegedly committed before such acquisition or creation;

- (ii) the Information Risk and Recovery Coverage Section, if purchased as stated in ITEM 3 of the Declarations: coverage shall be provided for such organization and its **Insureds** for a **First-Party Incident** that occurred and was discovered (as required by Insuring Agreement (B) of such Information Risk and Recovery Coverage Section) after the effective date of such acquisition or creation;
 - (iii) the Employed Lawyers Professional Liability Coverage Section, if purchased as stated in ITEM 3 of the Declarations: coverage shall be provided for natural persons who became **Insureds** as a result of such acquisition or creation solely for **Wrongful Acts** committed or allegedly committed after the effective date of such acquisition or creation unless the Underwriter agrees, after presentation of a complete application and all other appropriate information, to provide coverage by written endorsement for **Wrongful Acts** committed or allegedly committed before such acquisition or creation; or
 - (iv) the Crime Coverage Section, if purchased as stated in ITEM 3 of the Declarations: coverage shall be provided for such other organization and its **Insureds** after the effective date of such event, pursuant to Section VI(E), Liability for Prior Losses, of such Crime Coverage Section.
- (2) If, at the time of an acquisition or creation described in paragraph (A)(1) above:
- (a) the total assets of any such acquired or created organization exceed thirty-five percent (35%) of the total assets of the **Organization** (as reflected in the most recent audited consolidated financial statements of such organization and the **Organization**, respectively, as of the date of such acquisition or creation); or
 - (b) solely with respect to the Employment Practices Liability Coverage Section, if purchased as stated in ITEM 3 of the Declarations, the total number of employees of the acquired or created organization exceeds thirty-five percent (35%) of the total number of employees of the **Organization** immediately prior to the acquisition or creation,

then the **Organization** shall provide the Underwriter written notice of such acquisition or creation, containing full details thereof, as soon as practicable, but in no event later than ninety (90) days after the date of such acquisition or creation, and the Underwriter, in its sole discretion, may require additional terms, conditions and limitations of coverage and additional premium shall be paid. If the **Organization** fails to give such notice within the time specified in the preceding sentence, or fails to pay the additional premium required by the Underwriter, then no coverage will be available for such acquired or created organization (if applicable) and its **Insureds**: (i) for any **Claim** first made more than ninety (90) days after such acquisition or creation; or (ii) with respect to the Information Risk and Recovery Coverage Section, if purchased as stated in ITEM 3 of the Declarations, for any **First-Party Incident** that occurred or is discovered more than ninety (90) days after such acquisition or creation. Provided, however, that the asset and employee count limitations set forth in this paragraph (A)(2) shall not apply to the **Organization's** acquisition or creation of a not-for-profit organization that is within the scope of paragraph (A)(1) above.

(B) Acquisition by Another Organization

If:

- (1) the **Named Organization** merges into or consolidates with another organization and the **Named Organization** is not the surviving entity; or
- (2) another organization or person or group of organizations and/or persons acting in concert acquires **Management Control**, or all or substantially all of the assets, of the **Named Organization**,

then coverage under this Policy with respect to:

- (a) any **Liability Coverage Section**: shall continue until termination of such Coverage Section, but only with respect to **Claims for Wrongful Acts** committed or allegedly committed before such merger, consolidation or acquisition;
- (b) the Information Risk and Recovery Coverage Section, if purchased as stated in ITEM 3 of the Declarations: shall terminate with respect to any **First-Party Incident** that occurs after such merger, consolidation or acquisition; or
- (c) the Crime Coverage Section, if purchased as stated in ITEM 3 of the Declarations: shall terminate as of the date of such merger, consolidation or acquisition.

Upon the occurrence of any event described in paragraph (B)(1) or (2) above, the entire premium for this Policy shall be deemed fully earned. The **Named Organization** shall give written notice of such merger, consolidation or acquisition to the Underwriter as soon as practicable, but in no event later than ninety (90) days after the date of such merger, consolidation or acquisition, together with such other information as the Underwriter may require. Upon receipt of such notice and information and at the request of the **Named Organization**, the Underwriter shall provide to the **Named Organization** a quotation for an extension of coverage (for such period as may be negotiated between the Underwriter and the **Named Organization**) with respect to **Claims for Wrongful Acts** committed or allegedly committed before such merger, consolidation or acquisition. Any coverage extension pursuant to such quotation shall be subject to such additional or different terms, conditions and limitations of coverage and payment of such additional premium as the Underwriter, in its sole discretion, may require.

(C) **Cessation of Subsidiary**

In the event an organization ceases to be a **Subsidiary** before or during the **Policy Period**, then with respect to:

- (1) any **Liability Coverage Section**, other than the Employed Lawyers Professional Liability Coverage Section: coverage with respect to such former **Subsidiary** and its **Insureds** shall continue until termination of such Coverage Section, but only with respect to **Claims for Wrongful Acts** committed or allegedly committed while such organization was a **Subsidiary**;
- (2) the Information Risk and Recovery Coverage Section, if purchased as stated in ITEM 3 of the Declarations: coverage with respect to such former **Subsidiary** and its **Insureds** shall terminate with respect to any **First-Party Incident** that occurs after such organization ceased to be a **Subsidiary**;
- (3) the Employed Lawyers Professional Liability Coverage Section, if purchased as stated in ITEM 3 of the Declarations: coverage with respect to the **Insureds** of such former **Subsidiary** shall continue until termination of such Coverage Section, but only with respect to **Claims for Wrongful Acts** committed or allegedly committed while such organization was a **Subsidiary**; or
- (4) the Crime Coverage Section, if purchased as stated in ITEM 3 of the Declarations: such former **Subsidiary** and its **Insureds** shall cease to be **Insureds** as of the effective date of such cessation, and coverage under such Crime Coverage Section shall thereafter apply only as provided in such Crime Coverage Section.

XII. VALUATION AND FOREIGN CURRENCY

All premiums, limits, retentions, loss and other amounts under this Policy are expressed and payable in the currency of the United States of America. Except as otherwise provided in any Coverage Section, if a judgment is rendered, a settlement is denominated or any element of loss under this Policy is stated in a currency other than United States of America dollars, payment under this Policy shall be made in United States of America dollars at the rate of exchange published in *The Wall Street Journal* on the date the judgment becomes final, the amount of the settlement is agreed upon or any element of loss is due, respectively.

XIII. ASSISTANCE AND COOPERATION

In the event of a **Claim, First-Party Incident** or **Occurrence**, the **Insured** shall provide the Underwriter with all information, assistance and cooperation that the Underwriter reasonably requests. At the Underwriter's request, the **Insured** shall assist in: investigating, defending and settling **Claims, First-Party Incidents** or **Occurrences**; enforcing any right of contribution or indemnity against another who may be liable to any **Insured**; the conduct of actions, suits, appeals or other proceedings, including, but not limited to, attending trials, hearings and depositions; securing and giving evidence; and obtaining the attendance of witnesses. The failure of any **Insured Person** to provide the Underwriter such information, assistance or cooperation shall not impair the rights of any other **Insured Person** under this Policy.

XIV. SUBROGATION

In the event of any payment hereunder, the Underwriter shall be subrogated to the extent of any payment to all of the rights of recovery of the **Insureds**. The **Insureds** shall execute all papers and do everything necessary to secure such rights, including the execution of any documents necessary to enable the Underwriter effectively to bring suit in its name. The **Insureds** shall do nothing that may prejudice the Underwriter's position or potential or actual rights of recovery. The obligations of the **Insureds** under this Section XIV shall survive the expiration or termination of this Policy.

In no event, however, shall the Underwriter seek subrogation against any **Insured** under this Policy unless:

- (A) such **Insured** has been convicted of a criminal act;
- (B) it has been determined by a final and non-appealable adjudication in any judicial or administrative proceeding, other than an action or proceeding commenced by the Underwriter to determine coverage under this Policy, that such **Insured** committed a deliberately fraudulent or dishonest act or omission, or willfully violated any statute, rule or law; or
- (C) it has been determined by a final and non-appealable adjudication in any judicial or administrative proceeding, other than an action or proceeding commenced by the Underwriter to determine coverage under this Policy, that such **Insured** gained any profit, remuneration or advantage to which such **Insured** was not legally entitled.

XV. NO ACTION AGAINST UNDERWRITER

- (A) No action shall be taken against the Underwriter by any **Insured** unless, as conditions precedent thereto, the **Insured** has fully complied with all of the terms of this Policy and the amount of the **Insured's** obligation to pay has been finally determined either by judgment against the **Insured** after adjudicatory proceedings, or by written agreement of the **Insured**, the claimant and the Underwriter.
- (B) No individual or entity shall have any right under this Policy to join the Underwriter as a party to any **Claim** to determine the liability of any **Insured**; nor shall the Underwriter be impleaded by an **Insured** or his, her or its legal representative in any such **Claim**.

XVI. NAMED ORGANIZATION RIGHTS AND OBLIGATIONS

The **Named Organization** will act on behalf of all **Insureds** with respect to: the giving or receiving of any notices under this Policy; the payment of premiums to, and receiving of return premiums from, the Underwriter; the receiving and acceptance of any endorsements issued to form a part of this Policy; and the exercising or declining to exercise any Extended Reporting Period.

XVII. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Underwriter shall not effect a waiver or change in any part of this Policy or prevent or estop the Underwriter from asserting any right(s) under this Policy. This Policy can only be altered, waived or changed by written endorsement issued to form a part of this Policy.

XVIII. ASSIGNMENT

No assignment of interest under this Policy shall bind the Underwriter without its written consent issued as a written endorsement to form a part of this Policy.

XIX. CANCELLATION/NONRENEWAL

- (A) The Underwriter may not cancel this Policy except for the **Named Organization's** failure to pay a premium when due, in which case twenty (20) days' written notice will be given to the **Named Organization** by the Underwriter. Notwithstanding the foregoing, if the Underwriter receives no premium whatsoever by the premium due date and no premium whatsoever is received by the last day of such twenty (20) day notice period, the Underwriter may cancel this Policy as of the Inception Date set forth in ITEM 2(a) of the Declarations.
- (B) This Policy may be cancelled by the **Named Organization** at any time by mailing written notice to the Underwriter stating when thereafter such cancellation will be effective. In such event, the earned premium will be computed *pro rata*. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- (C) The Underwriter will not be required to renew this Policy upon its expiration. The Underwriter will provide the **Named Organization** with sixty (60) days' notice of any non-renewal.

XX. TERMINATION OF PRIOR BONDS OR POLICIES

Any bonds or policies issued by the Underwriter or its affiliates and stated in ITEM 11 of the Declarations shall terminate, if not already terminated, as of the Inception Date of this Policy stated in ITEM 2(a) of the Declarations.

XXI. INSOLVENCY OF INSURED

The Underwriter will not be relieved of any of its obligations under this Policy by the bankruptcy or insolvency of any **Insured** or his/her/its estate.

XXII. RISK MANAGEMENT

The Underwriter directly or indirectly may make available risk management services in connection with this Policy for the purpose of managing and reducing the risks covered under this Policy. Such risk management services may cease or change in the Underwriter's sole discretion at any time.

XXIII. ENTIRE AGREEMENT

The **Insureds** agree that this Policy, including the **Application**, Declarations and any endorsements, constitutes the entire agreement between them and the Underwriter or any of its agents relating to this insurance.

XXIV. HEADINGS

The descriptions in the headings and sub-headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

SPECIMEN

**HEALTHCARE ORGANIZATION
MANAGEMENT LIABILITY POLICY**

**Directors, Officers & Organization
Liability Coverage Section**



In consideration of payment of the premium and subject to the Declarations, the General Terms and Conditions, and the terms, conditions and limitations of this Coverage Section, the Underwriter and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

(A) Insured Person Non-Indemnified Loss Coverage:

The Underwriter will pay, on behalf of an **Insured Person**, **Loss** for which an **Insured Person** is not indemnified by the **Organization** from any **Claim** first made against an **Insured Person** during the **Policy Period** or applicable Extended Reporting Period for a **Wrongful Act**; provided, that such **Claim** is reported to the Underwriter in accordance with Section VII of this Coverage Section.

(B) Insured Person Indemnified Liability Coverage:

The Underwriter will pay, on behalf of the **Organization**, **Loss** for which the **Organization** grants indemnification to an **Insured Person**, as permitted or required by law, from any **Claim** first made against an **Insured Person** during the **Policy Period** or applicable Extended Reporting Period for a **Wrongful Act**; provided, that such **Claim** is reported to the Underwriter in accordance with Section VII of this Coverage Section.

(C) Organization Liability Coverage:

The Underwriter will pay, on behalf of the **Organization**, **Loss** from any **Claim** first made against the **Organization** during the **Policy Period** or applicable Extended Reporting Period for a **Wrongful Act**; provided, that such **Claim** is reported to the Underwriter in accordance with Section VII of this Coverage Section.

(D) Stakeholder Derivative Demand Coverage:

Upon satisfactory proof of payment by the **Organization**, the Underwriter will reimburse the **Organization**, up to the Stakeholder Derivative Demand Sublimit stated in ITEM 4 of the Declarations, for **Investigative Costs** actually paid by the **Organization** in connection with any **Stakeholder Derivative Demand** first made during the **Policy Period** or applicable Extended Reporting Period; provided, that such **Stakeholder Derivative Demand** is reported to the Underwriter in accordance with Section VII of this Coverage Section.

(E) Crisis Management Reimbursement Coverage:

Upon satisfactory proof of payment by the **Organization**, the Underwriter will reimburse the **Organization**, up to the D&O Crisis Management Expenses Limit stated in ITEM 4 of the Declarations, for **Crisis Management Expenses** actually paid by the **Organization** in connection with a **Crisis Management Event** that first occurs during the **Policy Period**; provided, that such **Crisis Management Event** is reported to the Underwriter in accordance with Section VII of this Coverage Section.

(F) **Additional Limit of Liability Dedicated for Executives (Optional):**

- (1) The Additional Limit of Liability Dedicated for Executives, if purchased as stated in ITEM 3 of the Declarations, will be an additional limit of liability in the amount stated in ITEM 4 of the Declarations, which amount is in addition to, and not part of, the **Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.
- (2) The Additional Limit of Liability Dedicated for Executives is available solely for **Loss** resulting from any **Claim** made against any **Executive** covered under Insuring Agreement (A) of this Coverage Section.
- (3) The Additional Limit of Liability Dedicated for Executives shall be excess of any insurance available that is specifically excess to this Policy and such excess insurance must be completely exhausted by payment of loss, damages or defense expenses thereunder before the Underwriter shall have any obligation to make any payment on account of the Additional Limit of Liability Dedicated for Executives.

II. DEFINITIONS

- (A) "**Antitrust Claim**" means any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Antitrust Violation**.
- (B) "**Antitrust Violation**" means any actual or alleged: price fixing (including horizontal or other price fixing of wages, hours, salaries, compensation, benefits or any other terms and conditions of employment); restraint of trade; monopolization; or violation of the Interstate Commerce Act of 1887, the Sherman Antitrust Act of 1890, the Clayton Act of 1914, the Robinson-Patman Act of 1936, the Cellar-Kefauver Act of 1950, the Federal Trade Commission Act of 1914, or any other federal statute involving antitrust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade activities, or of any regulations promulgated under or in connection with any of the foregoing statutes, or of any similar provision of any federal, state or local statute, ordinance, regulation or common law.
- (C) "**Claim**" means:
 - (1)(a) a written demand for monetary, non-monetary or injunctive relief (including any request to toll or waive any statute of limitations or request for mediation); or
 - (b) a civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief commenced by:
 - (i) the service of a complaint or similar pleading;
 - (ii) the return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (iii) the filing of a notice of charges, formal investigative order or similar document, against an **Insured** for a **Wrongful Act**;
 - (2) a civil, criminal, administrative or regulatory investigation of an **Insured Person** for a **Wrongful Act** commenced by the service upon or other receipt by such **Insured Person** of a written notice from the investigating authority (including any "Wells" notice) specifically identifying such **Insured Person** as a target individual against whom a civil, criminal, administrative or regulatory proceeding may be commenced;
 - (3) an official request for **Extradition** against an **Insured Person** for a **Wrongful Act**;
 - (4) a **Regulatory Claim**; and

- (5) for the purposes of coverage under Insuring Agreement (D) of this Coverage Section, a **Stakeholder Derivative Demand**;

provided, that **Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

- (D) **"Claim Services"** means the submission, handling, investigation, adjudication, denial, payment, or adjustment of claims for benefits or coverages under health care, consumer directed health care, behavioral health, prescription drug, dental, vision, long or short term disability, automobile medical payment, or workers' compensation plans.
- (E) **"Crisis Management Event"** means any of the following events which, in the good faith opinion of the **Organization**, did cause or is reasonably likely to cause material public harm to the **Organization**:
- (1) the death, incapacity or criminal indictment of any **Executive**, or any **Employee** on whom the **Organization** maintains key person life insurance;
 - (2) the public announcement of layoffs of **Employees**;
 - (3) the public announcement that the **Organization** has defaulted or intends to default on its debt;
 - (4) the public announcement that the **Organization** intends to file for bankruptcy protection or that a third party is seeking to file for involuntary bankruptcy on behalf of the **Organization**, or the imminence of bankruptcy proceedings, whether voluntary or involuntary;
 - (5) the public announcement or accusation that the **Organization** has caused bodily injury, sickness, disease, or death to a group of persons, or damage to or destruction of any tangible group of properties, including the loss of use thereof;
 - (6) the public announcement of the commencement or threat of commencement of governmental or regulatory proceedings against the **Organization** including, but not limited to, any such proceeding alleging violation of the Federal False Claims Act, or any anti-kickback, illegal remuneration, self-referral or healthcare fraud and abuse law; or
 - (7) the public announcement of the termination, suspension or limitation of an **Organization's** right to participate in any program of a federal, state or local governmental, regulatory or administrative agency.
- (F) **"Crisis Management Expenses"** means reasonable costs, charges, fees and expenses incurred by the **Organization** for **Crisis Management Services**. **Crisis Management Expenses** do not include any remuneration, salaries, wages, fees, overhead or benefit expenses of any **Insured**.
- (G) **"Crisis Management Firm"** means any public relations, crisis management firm or law firm retained by the **Organization** or its **Executives** with the consent of the Underwriter to perform **Crisis Management Services**.
- (H) **"Crisis Management Services"** means those services performed by a **Crisis Management Firm** in advising the **Organization** or any of its **Executives** on minimizing potential public harm to the **Organization** resulting from a **Crisis Management Event**.
- (I) **"Disqualified Person"** means a "disqualified person" as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

- (J) **"Employee"** means any employee of the **Organization**, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal and temporary employee. **Employee** also includes:
- (1) any volunteer working for the **Organization**;
 - (2) any individual who is leased to, and working for, the **Organization**, but only if the **Organization** provides indemnification to such leased individual in the same manner as is provided to the **Organization's** employees;
 - (3) any independent contractor working for the **Organization**, but only if the **Organization** provides indemnification to such independent contractor, pursuant to a written contract, in the same manner as that provided to the **Organization's** employees; and
 - (4) any intern working for, and under the supervision of, the **Organization**.
- (K) **"Excess Benefit Transaction"** means an "excess benefit transaction" as that term is defined in Section 4958(c) of the Internal Revenue Code of 1986, as amended.
- (L) **"Excess Benefit Transaction Excise Tax"** means any excise tax imposed by the Internal Revenue Service on an **Insured Person** who is an **Organization Manager** as a result of such **Insured Person's** participation in an **Excess Benefit Transaction**.
- (M) **"Executive"** means any natural person who was, now is or becomes:
- (1) a duly elected or appointed director, officer, trustee, trustee emeritus, executive director, member of the Board of Managers, duly constituted committee member, member of an Advisory Board, in-house general counsel or risk manager of any **Organization** chartered in the United States of America; or
 - (2) a holder of a position equivalent to any position described in (1) above in any **Organization** that is chartered in a **Foreign Jurisdiction**.
- (N) **"Extradition"** means any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or to answer to a criminal accusation, or the execution of a warrant for the arrest of an **Insured Person** where the execution of such warrant is an element of the formal process of extradition.
- (O) **"Insured"** means the **Organization** and any **Insured Person**.
- (P) **"Insured Person"** means any natural person who was, now is or becomes:
- (1) an **Executive**;
 - (2) an **Employee**; or
 - (3) a staff physician or faculty member of the **Organization**, or a member of, or provider of administrative support to, any duly constituted review board or committee of the **Organization**, regardless of whether or not such person is directly employed by the **Organization** or is considered to be an independent contractor.
- (Q) **"Internal Revenue Code Violation"** means any actual or alleged violation by an **Insured** of any of the following sections of the Internal Revenue Code of 1986, as amended, involving any **Organization** that is exempt from taxation under the Internal Revenue Code of 1986, as amended:

Section 4911 (Taxes on Excess Expenditures to Influence Legislation);
Section 4941 (a) and (b) (Taxes on Self-Dealing);

Section 4942 (Taxes on Failure to Distribute Income);
 Section 4943 (Taxes on Excess Business Holdings);
 Section 4944 (Taxes on Investments which Jeopardize Charitable Purpose);
 Section 4945 (Taxes on Taxable Expenditures);
 Section 6652 (c) (1) (A)(B) (Penalties for Failure to File Certain Information Returns or Registration Statements);
 Section 6655 (a)(1) (Penalties for Failure to Pay Estimated Income Taxes); or
 Section 6656(a) and (b) (Penalties for Failure to Make Deposit of Taxes).

- (R) **“Investigative Costs”** means reasonable costs, charges, fees (including but not limited to attorneys’ fees and experts’ fees) and expenses incurred by the **Organization**, including its board of directors, Board of Managers or any committee thereof, in connection with such **Organization’s** investigation or evaluation of any **Stakeholder Derivative Demand**. **Investigative Costs** does not include any remuneration, salaries, wages, fees, overhead or benefit expenses of any **Insured**.
- (S) **“Loss”** means:
- (1) for purposes of coverage under Insuring Agreements (A), (B) and (C) of this Coverage Section, **Defense Expenses** and any monetary amount which an **Insured** is legally obligated to pay as a result of a covered **Claim**, including but not limited to:
 - (a) monetary damages (including punitive or exemplary damages or the multiple portion of any multiplied damage award, to the extent such damages are insurable under the law of any jurisdiction which has a substantial relationship to the **Insureds**, this Policy or the **Claim** giving rise to such damages and which is most favorable to the insurability of such damages);
 - (b) judgments;
 - (c) settlements;
 - (d) pre- and post-judgment interest;
 - (e) **Excess Benefit Transaction Excise Taxes** that an **Insured Person** is obligated to pay as a result of a **Claim**; provided that **Loss** shall not include the twenty-five percent (25%) excise tax assessed against any **Disqualified Person** or the 200% tax assessed for failure to correct an **Excess Benefit Transaction**;
 - (f) civil fines and penalties levied against an **Insured**:
 - (i) for an **Internal Revenue Code Violation**;
 - (ii) for violation of the Emergency Medical Treatment and Active Labor Act, as amended (“EMTALA”); or
 - (iii) for violation of Title II of the Health Insurance Portability and Accountability Act of 1996; and
 - (g) civil penalties levied against an **Insured Person** pursuant to Section 2(g)(2)(B) of the Foreign Corrupt Practices Act;
 - (2) for purposes of coverage under Insuring Agreement (D) of this Coverage Section, **Investigative Costs**.

Loss does not include:

- (aa) any amount not insurable under the law pursuant to which this Coverage Section is construed, except as provided in paragraph (1)(a) above with respect to punitive or exemplary damages or the multiple portion of any multiplied damage award;
 - (bb) civil or criminal fines or penalties, except as provided in paragraph (1)(a) above with respect to punitive or exemplary damages or the multiple portion of any multiplied damage award and as provided in paragraphs (1)(f) and (1)(g) above with respect to the specified civil fines and penalties;
 - (cc) taxes or tax penalties (whether imposed by a federal, state, local or other governmental authority), except as provided in paragraph (1)(e) above with respect to any **Excess Benefit Transaction Excise Tax**;
 - (dd) any costs incurred by the **Organization** to comply with any order for injunctive or other non-monetary relief, or to comply with an agreement to provide such relief; or
 - (ee) any fees, profits, or other revenue lost, or any costs incurred, by an **Insured** in connection with the termination, suspension or limitation of such **Insured's** right to participate in any program of a federal, state or local governmental, regulatory or administrative agency.
- (T) **"Managed Care Activities"** means any of the following services or activities, whether provided on paper, in person, electronically, or in any other form and whether performed for or on behalf of the **Organization** or by the **Organization** for itself or on behalf of any other party for a fee: **Provider Selection; Utilization Review; Quality Improvement Organization Programs**; advertising, marketing, selling, or enrollment for health care, consumer directed health care, behavioral health, prescription drug, dental, vision, long or short term disability, automobile medical payment, or workers' compensation plans; **Claim Services**; establishing health care provider networks including tiered networks; provision of information with respect to tiered networks and/or consumer directed health care plans, including cost and quality information regarding specific providers, services or charges; reviewing the quality of **Medical Services** or providing quality assurance; design or implementation of financial incentive plans; design and/or implementation of Pay for Performance Programs; wellness or health promotion education; development or implementation of clinical guidelines, practice parameters or protocols; triage for payment of **Medical Services**; calculation of medical loss ratio and related distribution; and services or activities performed in the administration or management of health care, consumer directed health care, behavioral health, prescription drug, dental, vision, long or short term disability, automobile medical payment, or workers' compensation plans.
- (U) **"Medical Services"** means health care, medical care, or treatment provided to any individual, including medical, surgical, dental, psychiatric, mental health, chiropractic, osteopathic, nursing or other professional health care; the use, prescription, furnishing or dispensing of medications, drugs, blood, blood products or medical, surgical, dental or psychiatric supplies, equipment or appliances in connection with such care; the furnishing of food or beverages in connection with such care; counseling or other social services in connection with such care; and the handling of, or the performance of post-mortem examinations on human bodies.
- (V) **"Organization Manager"** means an "organization manager" as that term is defined in Section 4958(f) of the Internal Revenue Code, 26 U.S.C. § 4958(f).
- (W) **"Outside Capacity"** means service by an **Executive** in the position of director, officer, trustee, trustee emeritus or governor of an **Outside Entity**, but only during the time that such service is at the specific request or direction of the **Organization**.
- (X) **"Outside Entity"** means: (1) any not-for-profit entity that is not included in the definition of **Organization**; and (2) any for-profit entity specifically added as an **Outside Entity** by written endorsement to this Coverage Section.

- (Y) **"Personal Injury Wrongful Act"** means false arrest, wrongful detention or imprisonment, malicious prosecution, libel, slander, defamation of character, wrongful entry or eviction or other invasion of the right of occupancy.
- (Z) **"Pollutant"** means (1) any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or any state, county, municipal or local counterpart thereof, including, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, or (2) any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products or any noise.
- (AA) **"Provider Selection"** means the evaluation, selection, credentialing, contracting with or performing peer review of any provider of **Medical Services**.
- (BB) **"Publisher Liability Wrongful Act"** means infringement of copyright or trademark, unauthorized use of title, plagiarism or misappropriation of ideas.
- (CC) **"Quality Improvement Organization Programs"** means services and activities to improve the effectiveness, efficiency, economy, and quality of care for beneficiaries under any government sponsored health care plan.
- (DD) **"Regulatory Claim"** means:
- (1) a written demand for monetary, non-monetary or injunctive relief (including any request to toll or waive any statute of limitations or request for mediation);
 - (2) a search warrant, subpoena, notice of investigation or contact letter (including but not limited to any notice or letter received from a Recovery Audit Contractor (RAC)); or
 - (3) a civil, criminal, administrative, regulatory or arbitration proceeding (including but not limited to any qui tam action or relator lawsuit) for monetary, non-monetary or injunctive relief commenced by:
 - (a) the service of a complaint or similar pleading;
 - (b) the return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (c) the filing of a notice of charges, formal investigative order or similar document, brought by or on behalf of a federal, state or local governmental, regulatory or administrative agency or entity against an **Insured** for a **Regulatory Wrongful Act**; provided, that **Regulatory Claim** does not include any customary or routine audit or reconciliation involving an **Insured** by any federal, state or local governmental, regulatory or administrative agency or entity.
- (EE) **"Regulatory Wrongful Act"** means any actual or alleged violation of: the Federal False Claims Act or any similar federal, state or local statute or common law; any federal, state or local anti-kickback, illegal remuneration, self-referral or healthcare fraud and abuse law; or amendments to or regulations promulgated under any such law.
- (FF) **"Stakeholder"** means:
- (1) with respect to any not-for-profit **Organization**, any natural person member of such **Organization** who has an active interest that such **Organization** fulfill its mission;
 - (2) with respect to any for-profit **Organization**, any securityholder of such **Organization**.

- (GG) **“Stakeholder Derivative Demand”** means any written demand, by one or more **Stakeholders** of the **Organization** without the solicitation, assistance, active participation or intervention of any **Executive**, upon the board of directors or Board of Managers of such **Organization** to bring a civil proceeding in a court of law against any **Executive** for a **Wrongful Act** by such **Executive**.
- (HH) **“Utilization Review”** means the process of evaluating the appropriateness, necessity or cost of **Medical Services** for purposes of determining whether payment or coverage for such **Medical Services** will be authorized or paid for under any health care, consumer directed health care, behavioral health, prescription drug, dental, vision, long or short term disability, automobile medical payment or workers’ compensation plans. **Utilization Review** shall include prospective review of proposed **Medical Services**; concurrent review of ongoing **Medical Services**; retrospective review of already rendered **Medical Services** or already incurred costs; disease management; case management; and the use of predictive modeling to identify individuals or populations for disease management or case management programs.
- (II) **“Wrongful Act”** means:
- (1) any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by any **Insured Person** in his or her capacity as such, or any matter asserted against any **Insured Person** solely by reason of his or her status as such;
 - (2) for the purposes of Insuring Agreement (C) of this Coverage Section, any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by the **Organization**;
 - (3) any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by any **Executive** in his or her **Outside Capacity**; or
 - (4) with respect to both **Insured Persons** and the **Organization**, and subject to paragraphs (1), (2) and (3) above, any:
 - (a) **Antitrust Violation**;
 - (b) **Regulatory Wrongful Act**;
 - (c) act, error or omission in connection with the performance of, or failure to perform, **Provider Selection**;
 - (d) **Personal Injury Wrongful Act**; and
 - (e) **Publisher Liability Wrongful Act**.

III. EXCLUSIONS

- (A) This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, **Loss** from any **Claim**:
- (1) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the Inception Date of this Policy stated in ITEM 2(a) of the Declarations, was the subject of any notice given and accepted under any directors and officers liability or other similar management liability policy or coverage section of which this Coverage Section is a direct or indirect renewal or replacement;
 - (2) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any prior and/or pending litigation or administrative, regulatory or arbitration proceeding against any **Insured** as of the applicable Pending or Prior Date stated in ITEM 3 of

the Declarations, or the same or substantially the same fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein;

- (3) brought by or on behalf of the **Organization** or any **Insured Person**; provided, that this EXCLUSION (A)(3) shall not apply to:
- (a) any **Stakeholder Derivative Demand**;
 - (b) any **Claim** brought or maintained derivatively on behalf of the **Organization** by a member, an attorney general, a securityholder or any other such representative party, provided such **Claim** is brought and maintained independently of, and without the solicitation, assistance, active participation or intervention of, any **Executive**, the **Organization** or any **Affiliate**;
 - (c) any **Claim** in the form of a cross-claim, third party claim or other claim for contribution or indemnity by any **Insured Person** which is part of or results directly from a **Claim** which is not otherwise excluded by the terms of this Coverage Section;
 - (d) in any bankruptcy proceeding by or against the **Organization**, any **Claim** brought by the examiner, creditors' committee, trustee, receiver, liquidator or rehabilitator (or any assignee thereof) of such **Organization**;
 - (e) any **Claim** brought or maintained by an **Executive** who has not served as a duly elected or appointed director, officer, trustee, governor, management committee member, member of the management board, general counsel or risk manager (or equivalent position) of, or consultant for, the **Organization** for at least two (2) years prior to the date such **Claim** is first made and who brings and maintains such **Claim** independently of, and without the solicitation, assistance, active participation or intervention of, the **Organization** or any other **Executive** who is serving or has served in any of the listed capacities within such two (2) year period;
 - (f) any **Claim** brought or maintained by an **Employee** who is not a past or present **Executive** if such **Claim** is brought and maintained independently of, and without the solicitation, assistance, active participation or intervention of, any **Executive**;
 - (g) any **Claim** brought or maintained by any provider of **Medical Services** relating to any **Provider Selection**;
 - (h) any **Claim** brought or maintained by any **Executive** of an **Organization** formed and operating in a **Foreign Jurisdiction** against such **Organization** or any other **Executive** thereof, provided such **Claim** is brought and maintained outside the United States of America, Canada or any other common law country (including any territories thereof); or
 - (i) any **Claim** brought or maintained as a result of the solicitation, assistance, active participation or intervention of an **Insured Person** where such solicitation, assistance, active participation or intervention is protected under 18 U.S.C. 1514A ("whistleblower" protection provided under the Sarbanes-Oxley Act of 2002) or any similar "whistleblower" protection provision of any federal, state or local statute, ordinance, regulation or common law;
- (4) for any **Wrongful Act** of an **Executive** in his or her **Outside Capacity**, if such **Claim** is brought by or on behalf of (a) the **Outside Entity** with which such **Executive** is serving or has served in an **Outside Capacity** or (b) any director, officer, trustee, governor or equivalent executive of such **Outside Entity**; provided, that this EXCLUSION (A)(4) shall not apply to:

- (i) any **Claim** brought or maintained derivatively on behalf of the **Outside Entity** by one or more securityholders or members of the **Outside Entity** who are not **Insured Persons** and are not directors, officers, trustees, governors or equivalent executives of the **Outside Entity** and who bring and maintain such **Claim** independently of, and without the solicitation, assistance or active participation of any **Insured Person** or of any director, officer, trustee, governor or equivalent executive of the **Outside Entity**;
 - (ii) any **Claim** in the form of a cross-claim, third party claim or other claim for contribution or indemnity by a director, officer, trustee, governor or equivalent executive of the **Outside Entity** which is part of or results directly from a **Claim** which is not otherwise excluded by the terms of this Coverage Section;
 - (iii) in any bankruptcy proceeding by or against the **Outside Entity**, any **Claim** brought by the examiner, creditors' committee, trustee, receiver, liquidator or rehabilitator (or any assignee thereof) of such **Outside Entity**;
 - (iv) any **Claim** brought or maintained by a director, officer, trustee, governor or equivalent executive of the **Outside Entity** who has not served as a duly elected or appointed director, officer, trustee, governor, management committee member, member of the management board, general counsel or risk manager (or equivalent position) of, or consultant for, the **Outside Entity** for at least two (2) years prior to the date such **Claim** is first made and who brings and maintains such **Claim** independently of, and without the solicitation, assistance or active participation of, any **Insured Person**, the **Outside Entity** or any other director, officer, trustee, governor or equivalent executive of the **Outside Entity** who is serving or has served in any of the listed capacities within such two (2) year period;
 - (v) any **Claim** brought or maintained by any director, officer, trustee, governor or equivalent executive of an **Outside Entity** formed and operating in a **Foreign Jurisdiction**, provided such **Claim** is brought and maintained outside the United States of America, Canada or any other common law country (including any territories thereof); or
 - (vi) any **Claim** brought or maintained as a result of the solicitation, assistance, active participation or intervention of any director, officer, trustee, governor or equivalent executive of the **Outside Entity** where such solicitation, assistance, active participation or intervention is protected under 18 U.S.C. 1514A ("whistleblower" protection provided under the Sarbanes-Oxley Act of 2002) or any similar "whistleblower" protection provision of any federal, state or local statute, ordinance, regulation or common law;
- (5) for: (a) any actual, alleged, or threatened exposure to, generation, storage, transportation, discharge, emission, release, seepage, dispersal, escape, treatment, removal, handling, processing or disposal of any **Pollutants**; or (b) any order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutants**; provided, that this EXCLUSION (A)(5) shall not apply to any **Claim** to which Insuring Agreement (A) of this Coverage Section solely applies;
- (6) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged nuclear reaction, nuclear radiation, radioactive contamination or radioactive substance;
- (7) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged bodily injury, mental anguish, emotional distress, sickness, disease or death of any person, or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed; provided, that this EXCLUSION (A)(7) shall not apply to allegations of emotional distress or mental anguish to the extent that such

allegations are made as part of a **Claim** brought or maintained by a provider of **Medical Services** relating to **Provider Selection**;

- (8) for any actual or alleged violation of the responsibilities, duties or obligations imposed on fiduciaries by the Employee Retirement Income Security Act of 1974, or any amendments thereto or regulations promulgated thereunder, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law;
- (9) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Wrongful Act** of any **Insured Person** serving in any capacity, other than as an **Executive** or **Employee** or in an **Outside Capacity**;
- (10) made against a **Subsidiary** or listed **Affiliate** or any **Insured Person** of such **Subsidiary** or **Affiliate** for any **Wrongful Act** committed or allegedly committed during any time when such entity was not a **Subsidiary** or **Affiliate**;
- (11) made against any **Insured** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:
 - (a) such **Insured** having gained any profit, remuneration or advantage to which such **Insured** is not legally entitled; or
 - (b) the committing of any deliberately fraudulent or dishonest act or omission, or any willful violation of any statute, rule or law, by such **Insured**;

provided, that this EXCLUSION (A)(11) shall not apply unless the gaining by such **Insured** of such profit, remuneration or advantage to which such **Insured** is not legally entitled, or the deliberately fraudulent or dishonest act or omission or willful violation of statute, rule or law, has been established by a final and non-appealable adjudication in any judicial or administrative proceeding other than an action or proceeding commenced by the Underwriter to determine coverage under this Policy;

- (12) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state "blue sky" securities law, or any other federal, state or local securities law, or any amendments thereto or regulations promulgated under any such laws; provided, that this EXCLUSION (A)(12) shall not apply to matters involving tax exempt bonds and tax exempt bond holders;
- (13) for any actual or alleged violation of the responsibilities, duties or obligations imposed under any law concerning Social Security, unemployment insurance, workers' compensation, disability insurance, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law;
- (14) for any actual or alleged violation of the responsibilities, duties or obligations imposed under the Worker Adjustment and Retraining Notification Act (WARN), Occupational Safety and Health Act (OSHA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the National Labor Relations Act (NLRA), or any amendments thereto or regulations promulgated thereunder, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law;
- (15) for any actual or alleged violation of the responsibilities, duties or obligations imposed under any federal, state or local wage and hour law, including, without limitation, the Fair Labor Standards Act (FLSA);
- (16) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged:

- (a) unauthorized, unlawful, or unintentional taking, obtaining, accessing, using, disclosing, distributing, disseminating, transmitting, gathering, collecting, acquiring, corrupting, damaging, destroying, deleting, or impairing of any non-public personally identifiable information; or
- (b) failure or inability of any computer, computer component (including but not limited to any hardware, network, terminal device, data storage device, input and output device, or back up facility), application, program, software, code, or script of any kind (a "System") to perform or function as planned or intended, including but not limited to any failure or inability of any System to prevent any hack, virus, contaminant, worm, trojan horse, logic bomb, or unauthorized or unintended accessing or use involving any System;

provided, that this EXCLUSION (A)(16) shall not apply to any **Claim**:

- (i) brought directly or derivatively by one or more securityholders of the **Organization** in their capacity as such; or
 - (ii) brought by a federal or state governmental or regulatory agency or entity for violation of Title II of the Health Insurance Portability and Accountability Act of 1996, as amended;
- (17) for any actual or alleged liability of any **Insured** under any express contract or agreement; provided, that this EXCLUSION (A)(17) shall not apply to liability which would have attached in the absence of such express contract or agreement;
- (18) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged act, error or omission in the performance of, or failure to perform, **Managed Care Activities** by any **Insured** or by any individual or entity for whose acts, errors or omissions any **Insured** is legally responsible; provided, that this EXCLUSION (A)(18) shall not apply to any **Claim** for an actual or alleged act, error or omission in connection with the performance of, or failure to perform, **Provider Selection** otherwise covered by this Coverage Section;
- (19) for any actual or alleged sexual abuse, sexual assault or sexual battery;
- (20) for any employment-related **Wrongful Act**;
- (21) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged discrimination against, or harassment (whether sexual or non-sexual in nature) of, any person or entity that is not an **Insured**; provided, that this EXCLUSION (A)(21) shall not apply to any **Claim** brought or maintained by any provider of **Medical Services** relating to any **Provider Selection**; or
- (22) with respect to Insuring Agreement (C) of this Coverage Section only, for any actual or alleged infringement, misappropriation or violation of any patent, trade secret or any other intellectual property right; provided, that this EXCLUSION (A)(22) shall not apply to any **Claim** for a **Publisher Liability Wrongful Act**.

- (B) This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, **Loss**, other than **Defense Expenses**, from any **Regulatory Claim**.

IV. SEVERABILITY OF EXCLUSIONS

- (A) No fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** to determine the application of EXCLUSION (A)(11) of this Coverage Section.

- (B) Only facts pertaining to and knowledge possessed by any past, present or future chief executive officer or chief financial officer of the **Organization** (or equivalent positions thereof) shall be imputed to such **Organization** to determine the application of EXCLUSION (A)(11) of this Coverage Section.

V. COVERAGE SECTION SPECIFIC LIMITS OF LIABILITY, RETENTIONS AND COINSURANCE

- (A) Antitrust Claim Sublimit:

The Underwriter's maximum limit of liability for all **Loss** resulting from all **Antitrust Claims** shall be the amount stated in ITEM 4 of the Declarations as the Antitrust Claim Sublimit, which amount shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

- (B) Regulatory Claim Defense Sublimit:

The Underwriter's maximum limit of liability for all **Defense Expenses** resulting from all **Regulatory Claims** shall be the amount stated in ITEM 4 of the Declarations as the Regulatory Claim Defense Sublimit, which amount shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

- (C) HIPAA Claim Sublimit:

The Underwriter's maximum limit of liability for all **Loss**, other than **Defense Expenses**, resulting from all **Claims** for violations of Title II of the Health Insurance Portability and Accountability Act of 1996, as amended, shall be the amount stated in ITEM 4 of the Declarations as the HIPAA Claim Sublimit, which amount shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

- (D) Excess Benefit Transaction Excise Tax Sublimit:

The Underwriter's maximum limit of liability for all **Excess Benefit Transaction Excise Taxes** resulting from all **Claims** shall be the amount stated in ITEM 4 of the Declarations as the Excess Benefit Transaction Excise Tax Sublimit, which amount shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

- (E) Internal Revenue Code Violation Sublimit:

The Underwriter's maximum limit of liability for all civil fines and penalties resulting from all **Claims** for **Internal Revenue Code Violations** shall be the amount stated in ITEM 4 of the Declarations as the Internal Revenue Code Violation Sublimit, which amount shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

- (F) EMTALA Claim Sublimit:

The Underwriter's maximum limit of liability for all civil fines and penalties resulting from all **Claims** for violations of EMTALA shall be the amount stated in ITEM 4 of the Declarations as the EMTALA Claim Sublimit, which amount shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

- (G) Stakeholder Derivative Demand Sublimit:

The Underwriter's maximum limit of liability for all **Investigative Costs** resulting from all **Stakeholder Derivative Demands** shall be the amount stated in ITEM 4 of the Declarations as the Stakeholder Derivative Demand Sublimit, which amount shall be part of, and not in addition to, the **Policy**

Aggregate Limit of Liability and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

(H) D&O Crisis Management Expenses Limit:

The Underwriter's maximum limit of liability for all **Crisis Management Expenses** resulting from all **Crisis Management Events** shall be the amount stated in ITEM 4 of the Declarations as the D&O Crisis Management Expenses Limit, which amount shall be in addition to, and not part of, the **Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

(I) Retentions:

The following provisions shall apply in addition to the provisions of Section IV of the General Terms and Conditions Section:

- (1) The Underwriter's obligation to pay **Loss** under this Coverage Section shall only be in excess of the applicable Retention stated in ITEM 5 of the Declarations. Such Retention shall only be eroded (or exhausted) by the **Insured's** payment of **Loss** otherwise covered under this Coverage Section, and shall be borne by the **Insureds** uninsured and at their own risk. The Underwriter shall have no obligation whatsoever, either to the **Insureds** or any other person or entity, to pay all or any portion of the applicable Retention on behalf of any **Insured**. The Underwriter shall, however, at its sole discretion, have the right and option to do so, in which event the **Insureds** will repay the Underwriter any amounts so paid. If the Underwriter and the **Insured** agree to use voluntary mediation as a dispute resolution approach with respect to a **Claim** and the Underwriter and the **Insured** consent to a full and final settlement of such **Claim** during such voluntary mediation (as evidenced by a full and final settlement agreement with respect to such **Claim**), the **Insured's** obligation to pay the applicable Retention stated in ITEM 5 of the Declarations for such **Claim** will be reduced by ten percent (10%), subject to a maximum reduction of \$25,000 of the Retention for such **Claim**.
- (2) If the **Organization** fails or refuses, other than for reason of **Financial Impairment**, to indemnify any **Insured Person** for **Loss**, or to advance **Defense Expenses** on behalf of any **Insured Person**, to the fullest extent permitted by statutory or common law, then, notwithstanding any other terms, conditions or limitations of this Coverage Section to the contrary, any payment by the Underwriter of such **Defense Expenses** or other **Loss** shall be subject to the applicable Insuring Agreement (B) Retention stated in ITEM 5 of the Declarations.
- (3) No Retention shall apply under Insuring Agreement (D) of this Coverage Section.

(J) Coinsurance:

To the extent that **Loss** resulting from any **Claim** covered under this Coverage Section is subject to a Coinsurance Percentage as stated in ITEM 6 of the Declarations and is in excess of the applicable Retention, the **Insureds** shall bear uninsured and at their own risk that percentage of such **Loss** specified as the applicable Coinsurance Percentage in ITEM 6 of the Declarations, and the Underwriter's liability shall apply only to the remaining percentage of such **Loss**.

VI. CLAIM SETTLEMENT

No **Insured** may admit any liability for any **Claim**, settle or offer to settle any **Claim** or incur any **Defense Expenses** without the Underwriter's prior written consent, which consent shall not be unreasonably withheld. The Underwriter will have the right to make investigations and conduct negotiations and, with the consent of the **Insureds**, enter into such settlement of any **Claim** as the Underwriter deems appropriate.

VII. REPORTING OF CLAIMS AND CIRCUMSTANCES

- (A) If, during the **Policy Period** or any applicable Extended Reporting Period, any **Claim** is first made against an **Insured**, the **Insureds** must, as a condition precedent to any right to coverage under this Coverage Section, give the Underwriter written notice of such **Claim** as soon as practicable after the **Organization's** risk manager or general counsel (or an equivalent position thereof) first becomes aware of such **Claim**, and in no event later than:
- (1) with respect to any **Claim** first made during the **Policy Period**, ninety (90) days after the end of the **Policy Period**; or
 - (2) with respect to any **Claim** first made during any applicable Extended Reporting Period, ninety (90) days after the end of the Extended Reporting Period.

Timely and sufficient notice by one **Insured** of a **Claim** shall be deemed timely and sufficient notice for all **Insureds** involved in the **Claim**. Such notice shall give full particulars of the **Claim**, including, but not limited to: a description of the **Claim** and **Wrongful Act**; the identity of all potential claimants and any **Insureds** involved; a description of the injury or damages that resulted from such **Wrongful Act**; information on the time, place and nature of the **Wrongful Act**; and the manner in which the **Insureds** first became aware of such **Wrongful Act**.

- (B) If, during the **Policy Period**, an **Insured** first becomes aware of a specific **Wrongful Act** which may subsequently give rise to a **Claim**, and:
- (1) gives the Underwriter written notice of such **Wrongful Act** with full particulars as soon as practicable thereafter but in any event before the end of the **Policy Period**; and
 - (2) requests coverage under this Coverage Section for any **Claim** subsequently arising from such **Wrongful Act**;

then any **Claim** subsequently made against an **Insured** arising out of such **Wrongful Act** shall, subject to paragraph (D) below, be treated as if it had been first made during the **Policy Period**. The full particulars required in any notice given under paragraph (B)(1) above must include, without limitation, a description of the **Wrongful Act**, the identities of the potential claimants and involved **Insureds**, the injury or damages which have resulted and/or may result from such **Wrongful Act**, the manner in which the **Insureds** first became aware of such **Wrongful Act**, and the reasons why the **Insureds** believe the **Wrongful Act** is likely to result in a **Claim** being made.

- (C) As a condition precedent to any right to reimbursement under Insuring Agreement (E) of this Coverage Section, the **Insureds** must give the Underwriter written notice of any **Crisis Management Event** no later than thirty (30) days after the **Organization's** risk manager or general counsel (or an equivalent position thereof) first becomes aware of such **Crisis Management Event**. Within sixty (60) days of making any payment of **Crisis Management Event Expenses**, the **Insureds** must provide the Underwriter with a detailed breakdown of all **Crisis Management Event Expenses** for which the **Organization** seeks reimbursement under Insuring Agreement (E) of this Coverage Section, together with satisfactory proof of payment and any additional information as the Underwriter may reasonably request.
- (D) All **Related Claims**, whenever made, shall be deemed a single **Claim** made when the earliest of such **Related Claims** was first made, or when the earliest of such **Related Claims** is treated as having been made in accordance with paragraph (B) above, whichever is earlier.

VIII. OTHER INSURANCE

This Coverage Section is specifically excess of and will not contribute with:

- (A) any other valid and collectible insurance available to any **Insured**, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is written specifically in excess of this Policy; or

- (B) any indemnification to which any **Insured Person** is entitled from any entity other than the **Organization**.

This Coverage Section will not be subject to the terms of any other insurance.

IX. PAYMENT OF LOSS

In the event payment of **Loss** is due under this Coverage Section but the amount of such **Loss** in the aggregate exceeds the remaining available **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section, the Underwriter shall:

- (A) first pay such **Loss** for which coverage is provided under Insuring Agreement (A) of this Coverage Section; then
- (B) to the extent of any remaining amount of such **Separate Limit of Liability** or **Shared Limit of Liability** after payment under paragraph (A) above, pay such **Loss** for which coverage is provided under any other Insuring Agreement of this Coverage Section.

Except as otherwise provided in this Section IX, the Underwriter may pay covered **Loss** as it becomes due under this Coverage Section without regard to the potential for other future payment obligations under this Coverage Section.

X. REPRESENTATIONS AND SEVERABILITY; INCORPORATION OF APPLICATION

- (A) The **Insureds** represent that the particulars and statements contained in the **Application** attached to this Policy are true, accurate and complete, and agree that:
- (1) this Coverage Section is issued and continued in force by the Underwriter in reliance upon the truth of such representation;
 - (2) those particulars and statements are the basis of the coverage granted by this Coverage Section; and
 - (3) the **Application** and those particulars and statements are incorporated in and form a part of this Policy.
- (B) The **Insureds** agree that in the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the **Application**, this Coverage Section shall be void *ab initio* with respect to any **Insured** who knew, as of the Inception Date stated in ITEM 2(a) of the Declarations, of such facts that were not accurately and completely disclosed in the **Application** (whether or not such **Insured** knew that such facts were not accurately and completely disclosed in the **Application**). Solely for the purposes of determining whether this Coverage Section shall be void *ab initio* with respect to an **Insured**:
- (1) no knowledge possessed by any **Insured Person** will be imputed to any other **Insured Person**; and
 - (2) the knowledge of any past or present chief executive officer or chief financial officer (or an equivalent position thereof) of the **Organization** shall be imputed to such **Organization**.

Notwithstanding the foregoing, the Underwriter shall not be entitled under any circumstances to void, whether by rescission or otherwise, Insuring Agreement (A) of this Coverage Section.

ENDORSEMENT NO. 1

PRODUCER ENDORSEMENT

This Endorsement, effective at 12:01 a.m. on May 12, 2026, forms part of:

Policy No. NOT-BOUND
Issued by Atlantic Specialty Insurance Company
Issued to Hospital District Number One of Mohave County

Section(s) GTC

In consideration of the premium charged, the Declarations of this Policy is amended to add the following:

PRODUCER (Name and Address):

CRC Insurance Services, LLC
1 Metroplex Drive, Suite 400
Birmingham, AL 35209

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. 2

STATE AMENDATORY INCONSISTENCY ENDORSEMENT

This Endorsement, which is effective at 12:01 a.m. on May 12, 2026, forms part of:

Policy No. NOT-BOUND
Issued by Atlantic Specialty Insurance Company
Issued to Hospital District Number One of Mohave County

Section(s) GTC

In consideration of the premium charged, in the event that there is any inconsistency between a state amendatory endorsement attached to this Policy and any term, condition or limitation of this Policy, it is understood and agreed that, where permitted by law, the Underwriter shall apply those terms, conditions and limitations of either the state amendatory endorsement or this Policy which are more favorable to the **Insured**.

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. 3

PROFESSIONAL E&O EXCLUSION ENDORSEMENT

This Endorsement, which is effective at 12:01 a.m. on May 12, 2026, forms part of:

Policy No. NOT-BOUND
Issued by Atlantic Specialty Insurance Company
Issued to Hospital District Number One of Mohave County

Section(s) D&O

In consideration of the premium charged, no coverage will be available under the Coverage Section identified above for **Loss** from any **Claim** for an **Insured's** rendering of, or actual or alleged failure to render, professional services for others for a fee.

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. 4

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

This Endorsement, effective at 12:01 a.m. on May 12, 2026, forms part of:

Policy No. NOT-BOUND
 Issued by Atlantic Specialty Insurance Company
 Issued to Hospital District Number One of Mohave County

Section(s) D&O

In consideration of the premium charged:

- (1) If aggregate insured losses attributable to **Certified Acts of Terrorism** exceed \$100 billion in a calendar year and the Underwriter has met its insurer deductible under the Terrorism Risk Insurance Act ("the Act"), the Underwriter shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- (2) For the purposes of this endorsement, Section II DEFINITIONS of the Coverage Section identified above is amended to include the following term:

Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the Terrorism Risk Insurance Act ("the Act"), to be an act of terrorism pursuant to the Act. The criteria contained in the Act for a **Certified Act Of Terrorism** include the following:

- (a) the act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Act; and
 - (b) the act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- (3) The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any **Loss** from any **Claim** that is otherwise excluded under the Coverage Section identified above.

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. 5

PRIVACY BREACH REIMBURSEMENT COVERAGE ENDORSEMENT

This Endorsement, effective at 12:01 a.m. on May 12, 2026, forms part of:

Policy No. NOT-BOUND
 Issued by Atlantic Specialty Insurance Company
 Issued to Hospital District Number One of Mohave County

Section(s) D&O

In consideration of the premium charged:

(1) Upon satisfactory proof of payment by the **Organization**, the Underwriter will reimburse the **Organization**, up to the limit set forth in paragraph (3) of this endorsement, for any **Privacy Breach Event Expenses** actually paid by the **Organization** in connection with a **Privacy Breach Event** that first occurs during the **Policy Period**, regardless of whether or not a **Claim** is made against an **Insured** as a result of such **Privacy Breach Event**. The Underwriter will have no liability whatsoever for fines, penalties, assessments of costs or other financial awards associated with any such **Privacy Breach Event** unless such fines, penalties, assessments of costs or other financial awards are otherwise covered under the Coverage Section identified above.

(2) For the purposes of the coverage afforded under this endorsement, the following terms shall have the meaning set forth below and Section II DEFINITIONS of the Coverage Section identified above shall be deemed amended to include such terms:

"Privacy Breach Event" means any failure by an **Insured** to maintain the confidentiality of non-public, medical or financial personally identifiable information which is in the care, custody and control of the **Organization**.

"Privacy Breach Event Expenses" means:

- (a) reasonable fees and costs of attorneys, experts and consultants, including third-party media consultants, incurred in the management or investigation of an actual or alleged **Privacy Breach Event**;
- (b) reasonable fees and costs incurred in connection with notification of a **Privacy Breach Event** to those individuals whose information has been accessed, released or used;
- (c) reasonable fees and costs of providing credit monitoring services to those individuals whose information has been accessed, released or used in connection with a **Privacy Breach Event**; and
- (d) reasonable costs incurred in the management of public relations with respect to a **Privacy Breach Event**;

provided, that **Privacy Breach Event Expenses** does not include: (i) any remuneration, salaries, overhead, fees, loss of earning reimbursement or benefit expenses of any **Insured**; or (ii) any fees, costs, charges or expenses incurred in defending any claim or suit resulting from a **Privacy Breach Event**.

(3) The Underwriter's maximum limit of liability for all **Privacy Breach Event Expenses** resulting from all **Privacy Breaches** occurring during the **Policy Period** shall be \$100,000, which amount shall

be in addition to, and not part of, the **Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to the Coverage Section identified above.

- (4) As a condition precedent to any right to reimbursement under paragraph (1) of this endorsement, the **Insureds** must give the Underwriter written notice of any **Privacy Breach Event** no later than thirty (30) days after the **Organization's** risk manager or general counsel (or an equivalent position thereof) first becomes aware of such **Privacy Breach Event**. Within sixty (60) days of making any payment of **Privacy Breach Event Expenses**, the **Insureds** must provide the Underwriter with a detailed breakdown of all **Privacy Breach Event Expenses** for which the **Organization** seeks reimbursement under paragraph (1) of this endorsement, together with satisfactory proof of payment and any additional information as the Underwriter may reasonably request.

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. 6

MEDICAL SERVICES EXCLUSION ENDORSEMENT

This Endorsement, which is effective at 12:01 a.m. on May 12, 2026, forms part of:

Policy No. NOT-BOUND
Issued by Atlantic Specialty Insurance Company
Issued to Hospital District Number One of Mohave County

Section(s) D&O

In consideration of the premium charged, no coverage will be available under the Coverage Section identified above for **Loss** from any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged performance of, or failure to perform, **Medical Services**.

All other terms, conditions and limitations of this Policy shall remain unchanged.



Atlantic Specialty Insurance Company
(Stock company owned by Intact Insurance Group USA, LLC)

Intactspecialty.com/management-liability

NOTICE: THE LIABILITY COVERAGE SECTIONS PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE EXPENSES," AND "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE UNDERWRITER BE LIABLE FOR "DEFENSE EXPENSES" OR OTHER "LOSS" IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

Application Instructions:

Whenever used in this Application, the term "Applicant" shall mean the Named Organization and all Subsidiaries, as defined by the Policy, unless otherwise stated.

The Applicant must complete the relevant sections of this Application and any applicable Supplemental Application in accordance with the specific coverages requested, along with any additional underwriting information or attachments as indicated.

I. APPLICANT

1. Name of Applicant: _____
2. Street Address: _____
3. City: _____ State: _____ Zip Code: _____
4. Website: _____

II. GENERAL INFORMATION

5. Applicant's total number of employees and location information:

	Physicians (including Partners, Shareholders, Employed and Contracted)	Full Time (Non-Physician)	Part Time (Non-Physician, including Seasonal & Temporary)	Contractors (Non-Physician, including Independent or Leased)
Worldwide, Except California:				
California				

Applicant is: Nonprofit Tax Exempt Nonprofit Taxable For-Profit Corporation

Skip Question 6. if the Applicant meets any of the criteria described below in Section IX. and is required to provide financial statements as an attachment to this Application

6. Please provide the following for the Applicant's most recent fiscal year end:

Total Assets:	Long Term Debt:	Total Liabilities:
Equity:	Revenues:	Net Income:

7. Has the Applicant in the past 18 months completed, or is the Applicant anticipating in the next 12 months, any of the following:

- | | |
|---|--|
| a. Reorganization or arrangement with creditors under federal or state law? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b. Facility or subsidiary closings or layoffs? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| c. Mergers, acquisitions, or divestures? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| d. Breach or violation of any debt covenant? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| e. Registration for a public or private offering of securities? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

f. Changes in ownership structure?

Yes No

g. Changes to senior executive officers other than due to illness?

Yes No

If "Yes" to any question in a. – g., please provide details:

8. Does the Applicant control more than twenty percent (20%) of the market share in any given geographical area of: a. providers in any given field of practice; b. hospital beds; c. healthcare services; or d. if the Applicant provides managed care products or services, the market share of health plan members?

Yes No

If "Yes" to any question in a. – d., please provide details, including market share percentages:

III. DIRECTORS AND OFFICERS LIABILITY INFORMATION – Complete if coverage is requested.

9. For any shareholder owning 5% or more of the Applicant's voting shares, complete the following:

Shareholder Name	% Owned	Is this shareholder a Director or Officer or represented by a designated Director on the board?
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No

10. Is any of the Applicant's stock held by an Employee Stock Ownership Plan (ESOP)?

Yes No

If "Yes", please complete the ESOP Supplemental Application.

11. Does the Applicant perform any professional ethics, peer review, accreditation, standard setting, credentialing, or licensing activities?

Yes No

If "Yes," please provide details (including any written policies and procedures that address decisions that could adversely affect healthcare staff membership, privileges, or licensing):

IV. EMPLOYMENT PRACTICES LIABILITY INFORMATION – Complete if coverage is requested.

12. Please provide the average salary (including bonuses and commissions) of all employees, including officers, owners, and partners, for the Applicant's most recent year-end:

Less than \$50,000 \$50,000 - \$100,000 \$100,000 - \$150,000 Greater than \$150,000

13. Annual Employee Turnover Rate: Most Recent 12 months _____% Prior 12 months _____%

14. Has the Applicant in the past 18 months completed, or is the Applicant anticipating in the next 12 months, any layoffs?

Yes No

If "Yes," please answer the following:

a. How many employees were or will be laid off? _____

b. Was severance available, or will it be available, to all laid off employees in exchange for a signed release?

Yes No

V. FIDUCIARY LIABILITY INFORMATION – Complete if coverage is requested.

15. Please complete the following for all benefit plans maintained by the Applicant:

*Plan Type	Current Plan Asset Value	Funding % (DBs only)
	\$	
	\$	

16. During the past 24 months has (or during the next 12 months will) any plan maintained by the Applicant:
- a. Been (Be) merged with another plan, terminated, or sold? Yes No
 - b. Had (Have) any outstanding or delinquent contributions? Yes No

If "Yes" to question a. or b., please provide details:

VI. EMPLOYED LAWYERS INFORMATION – Complete if coverage is requested.

17. Applicant's Number of Employed Lawyers:
 Employed Attorneys: _____ Contract/Leased Attorneys: _____
18. Do any of the Applicant's Employed Lawyers provide legal services for any entity, other than the Applicant, or for individuals who are not employed by the Applicant? Yes No

If "Yes," please provide details:

19. Does the Applicant currently maintain Directors & Officers and/or Errors & Omissions coverage? Yes No

VII. CRIME INFORMATION – Complete if coverage is requested.

20. How many employees handle, have access to or maintain records of money or securities? _____
21. Applicant's total number of locations: Domestic: _____ Foreign: _____
For the purposes of this Section VII., "Domestic" means the United States and Canada

If the Applicant has foreign locations, please list all countries and the number of employees in each country where the Applicant has foreign locations:

22. Does the Applicant allow the employees who reconcile the monthly bank statements to also sign checks or handle deposits? Yes No
- If "Yes," please provide details:

23. Does the Applicant:
- a. Perform pre-employment background checks for all its potential employees? Yes No
 - b. Strictly comply with dual recorded authorizations for all outgoing wire transfers? Yes No
 - c. Have internal controls designed so that no employee can control a process from beginning to end (for example, request a check, approve a voucher, and sign the check)? Yes No

If "No" to any question in a. – c., please provide details:

VIII. LOSS HISTORY

Complete Question 24. below if the Applicant is requesting any liability coverage that the Applicant does not currently purchase or is requesting limits of liability that are higher than the Applicant currently purchases.

24. With respect to any liability coverage that the Applicant does not currently purchase or any requested limits of liability that are higher than the Applicant currently purchases, is the Applicant or any individual or entity proposed for coverage under this insurance aware of any fact, circumstance, situation, transaction, event, act, error or omission that the Applicant or any such individual or entity has reason to believe may, or could reasonably be foreseen to, give rise to a claim or loss that may fall within the scope of the proposed insurance? Yes No

If "Yes," please provide details:

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS, DEFENSES OR REMEDIES OF THE UNDERWRITER, IT IS AGREED THAT ANY CLAIM OR LOSS ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR, OR OMISSION REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 24 IS EXCLUDED FROM THE PROPOSED INSURANCE.

IX. ATTACHMENTS

25. If the Applicant meets any of the following criteria, please provide year-end audited financial statements and the most recent interim financial statements as an attachment to this Application:
- More than 100 employees
 - 2 years or less in operation
 - Operating at a net loss
 - Directors and Officers Liability coverage is requested
-

X. FRAUD WARNINGS

Any person who knowingly and with intent to defraud any insurance company or another person, files an application for insurance containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto, may be guilty of committing a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties.

ALABAMA AND MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

ARKANSAS AND OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud, which is a crime.

CALIFORNIA APPLICANTS: For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

DISTRICT OF COLUMBIA APPLICANTS: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.

FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

KANSAS APPLICANTS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act.

KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

LOUISIANA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NEW MEXICO AND RHODE ISLAND APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

MAINE, TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or a denial of insurance benefits.

MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

OKLAHOMA APPLICANTS: WARNING: Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

OREGON AND TEXAS APPLICANTS: Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

PUERTO RICO APPLICANTS: Any person who knowingly and with the intent to defraud, presents false information in an insurance request form, or who presents, helps or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three (3) years, or both penalties. If aggravated circumstances prevail, the fixed established

imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

VERMONT APPLICANTS: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

XI. SIGNATURE AND AUTHORIZATION

The undersigned, as the authorized agent of all individuals and entities proposed for this insurance, declares that, to the best of his/her knowledge and belief, after reasonable inquiry, the statements in this Application and any attachments or information submitted with this Application (together referred to as the "Application") are true and complete. For Florida Applicants, the preceding sentence is replaced with the following sentence: The undersigned, as authorized agent of all individuals and entities proposed for this insurance, represents that, to the best of his/her knowledge and belief, after reasonable inquiry, the statements in this Application and any attachments or information submitted with this Application (together referred to as the "Application") are true and complete. The information in this Application is material to the risk accepted by the Underwriter. If a policy is issued it will be in reliance upon the Application, and the Application will be the basis of the contract.

The Underwriter will maintain the information contained in and submitted with this Application on file and along with the Application will be considered physically attached to, part of, and incorporated into the policy, if issued. For North Carolina, Utah and Wisconsin accounts, this Application and the materials submitted with it shall become part of the policy, if issued, if attached to the policy at issuance.

The Underwriter is authorized to make any inquiry in connection with this Application. The Underwriter's acceptance of this Application or the making of any subsequent inquiry does not bind the Applicant or the Underwriter to complete the insurance or issue a policy.

The information provided in this Application is for underwriting purposes only and does not constitute notice to the Underwriter under any policy of a Claim or potential Claim.

If the information in this Application materially changes prior to the effective date of the policy, the Applicant must notify the Underwriter immediately and the Underwriter may modify or withdraw any quotation or agreement to bind insurance. Note this sentence does not apply to Maine Applicants.

NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

REPRODUCED SIGNATURES, INCLUDING PHOTOCOPIES, WILL BE TREATED AS ORIGINAL.

THE UNDERWRITER AND THE APPLICANT AGREE THAT THIS APPLICATION MAY BE ELECTRONICALLY SIGNED AND THAT AN ELECTRONIC SIGNATURE APPEARING ON THIS APPLICATION IS THE SAME AS A HANDWRITTEN SIGNATURE FOR PURPOSES OF VALIDITY, ENFORCEABILITY AND ADMISSIBILITY.

TO ELECTRONICALLY SIGN THIS APPLICATION, THE APPLICANT'S AUTHORIZED AGENT SHOULD DO SO BY CHECKING THE BELOW BOX AND TYPING THEIR NAME, TITLE AND THE DATE BELOW.

An electronic signature is a simple as:

1. Check the box.
2. Type authorized agent's name/title and the date below.

The box must be checked by the chairperson, president, CEO or CFO of the Named Organization (or equivalent positions thereof).

<input type="checkbox"/> AUTHORIZED AGENT ELECTRONIC SIGNATURE AND ACCEPTANCE	
Name/Title	
Date	

IF THE APPLICANT DOES NOT WANT TO SIGN THIS APPLICATION ELECTRONICALLY, THE APPLICANT'S AUTHORIZED AGENT SHOULD TYPE THEIR NAME, TITLE AND THE DATE ABOVE, SIGN BELOW AND PROVIDE A SCANNED OR PAPER COPY TO THE APPLICANT'S AGENT OR BROKER.

By (Authorized Signature) _____

NOTE: THIS APPLICATION MUST BE SIGNED BY THE CHAIRPERSON, PRESIDENT, CHIEF EXECUTIVE OFFICER OR CHIEF FINANCIAL OFFICER OF THE NAMED ORGANIZATION (OR EQUIVALENT POSITIONS THEREOF) ACTING AS THE AUTHORIZED AGENT OF ALL INDIVIDUALS AND ENTITIES PROPOSED FOR THIS INSURANCE.

Produced By (Insurance Agent)	
Insurance Agency	
Insurance Agency Taxpayer ID	
Agent License No. or Surplus Lines No.	
Address	Street: City: State: Zip:

Submitted By (Insurance Agency)	
Insurance Agency Taxpayer ID	
Agent License No. or Surplus Lines No.	
Address	Street: State: Zip:

No Individual or Entity proposed for coverage is aware of any fact, circumstance, situation, transaction, event, act, error, or omission which they knew or reasonably should have known may result in a claim that may fall within the scope of the proposed insurance, except as follows:

Without prejudice to any other rights and remedies of the Underwriter, it is agreed that any claim arising from any fact, circumstance, situation, transaction, event, act, error or omission required to be disclosed in response to the above question, is excluded from the proposed insurance.

Printed Name: _____

Signature: _____

To be signed by the President, Executive Director, CEO or the CFO, or the functional equivalents

Name of Insured Organization: _____

Date: _____