

**DARWIN NATIONAL ASSURANCE COMPANY**  
**CLAIMS MADE PSYCHIATRISTS'**  
**PROFESSIONAL AND OFFICE LIABILITY POLICY**

**NOTICE: THIS POLICY PROVIDES CLAIMS MADE COVERAGE. A LOWER LIMIT OF LIABILITY APPLIES TO JUDGMENTS OR SETTLEMENTS WHEN THERE ARE ALLEGATIONS OF SEXUAL MISCONDUCT (SEE THE SPECIAL PROVISION "SEXUAL MISCONDUCT" IN THE POLICY). PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR LEGAL OR INSURANCE ADVISOR.**

**DEFENSE EXPENSES ARE PAYABLE IN ADDITION TO THE LIMITS OF LIABILITY, EXCEPT FOR PROCEEDINGS UNDER INSURING AGREEMENT I.B.**

**We** provide this Policy in consideration of the full payment of all premiums when due and in reliance upon the truthfulness of all of the statements in the application. The Policy consists of a Declarations Page, Insuring Agreement, Exclusions, Definitions and Coverage Conditions, and may also contain one or more endorsements. Endorsements alter the Policy. Terms printed in bold type have meanings referenced, in whole or in part, elsewhere in the Policy. Please read the Policy and all endorsements carefully to determine what is and what is not covered, as well as the rights and duties of the parties under the Policy.

Subject to the applicable limits and all terms, conditions and exclusions of this Policy, **We** and **You** agree as follows:

**I. WHAT THIS POLICY COVERS:**

A. Psychiatrists' Professional Liability:

**We** will pay on **Your** behalf, and subject to **Our** applicable Limit of Liability, amounts **You** are legally required to pay to others as judgments (including pre-judgment interest) or settlements as the result of any **Claim** first made against **You** during the **Policy Period** or any Extended Reporting Period for **Your Wrongful Acts**, or for the **Wrongful Acts** of others for whom **You** are legally responsible. The **Wrongful Act** must be in the conduct of **Your** profession as a psychiatrist and must take place on or after the **Retroactive Date** specified in the Declarations.

B. Costs Related to Proceedings:

**We** will pay on **Your** behalf reasonable costs **You** incur, including reasonable fees charged by an attorney representing **You**, in the investigation or defense of any **Proceeding** arising from **Your** profession as a psychiatrist and first brought during the **Policy Period**. The amount shown in Item 4(b) of the Declarations is the most **We** will be liable to pay in connection with any single **Proceeding** under this Policy Section I.B.

**II. ADDITIONAL BENEFITS:**

**We** will provide the following benefits in addition to the Limits of Liability applicable to Policy Sections I.A. and I.B. With respect to any **Claim**, and subject to Section V., these benefits end after the Limits of Liability applicable to that **Claim** has been used up in paying judgments (including pre-judgment interest) or settlements.

A. Defending and Settling Claims:

**We** have the right and duty to defend, at **Our** expense and using counsel selected by **Us**, any **Claim** or **Proceeding** against **You** covered under Section I.A. or I.B., even if the **Claim** is groundless, false or fraudulent. **We** have the right to investigate any **Claim** and, with **Your** written consent, to settle any **Claim** if **We** believe that settlement is proper. **Our** duty to defend a **Claim** against **You** will end if **You** unreasonably refuse to consent to a settlement that **We** recommend and which the claimant will accept. From then on, **You** will have to defend that **Claim** at **Your** own expense and negotiate any settlement. **Our** liability for judgments or settlements with respect to that **Claim** will not be more than the amount for which **We** could have settled it if **You** had consented, plus defense expenses incurred up until the time of **Our** original offer.

B. Legal Bonds:

**We** will pay premiums for appeal bonds, or bonds to release property used to secure a legal obligation, if required in a **Claim** **We** defend. However, **We** will only pay for bonds for amounts within **Our** applicable Limits of Liability. **We** have no obligation to appeal any decision or to obtain these bonds.

C. Costs Related to Defense:

**We** will pay reasonable costs, other than loss of earnings, **We** ask **You** to incur while helping **Us** defend a **Claim**. **We** will also pay up to \$250 per day for loss of earnings, subject to a maximum amount of \$5,000 for each **Claim**, if **You** must be away from **Your** practice at **Our** request to help **Us** defend a **Claim**.

**III. WHEN A CLAIM IS COVERED:**

A. Claims:

**We** will cover **Claims** first made against **You** during the **Policy Period** or any Extended Reporting Period. **You** must give written notice of the **Claims** to **Us** or to **Our** authorized agent in accordance with Section VII.B of this Policy. The **Claims** must be for **Wrongful Acts** taking place on or after the **Retroactive Date**, but before the end of the **Policy Period**.

B. Reported Wrongful Acts:

**We** will also cover **Claims** first made against **You** after the **Policy Period**, but only if those **Claims** are for **Wrongful Acts** of which **You** have given written notice to **Us** or to **Our** authorized agent in accordance with Section VII.C of this Policy.

C. Extended Reporting Period Options:

Upon any **Termination of Coverage**, for reasons other than nonpayment of premium or fraud within the first year of claims-made coverage with **Us**, the Named Insured shall have the right to an Extended Reporting Period. **We** will advise the Named Insured in writing of the Automatic Extended Reporting Period and the availability of, the premium for, and the importance of purchasing, the Optional Extended Reporting Period. This notice will be sent no earlier than the date of notification of **Termination of Coverage**, and no later than thirty (30) days after the effective date of the **Termination of Coverage**.

1. Automatic Extended Reporting Period

The Named Insured shall have the right to a period of sixty (60) days following **Termination of Coverage** (referred to as the Automatic Extended Reporting Period), in which to give notice to **Us** of **Claims** first made against any of **You** during said sixty (60) day period, for any **Wrongful Act** committed on or after the **Retroactive Date** and prior to the effective date of **Termination of Coverage**, and otherwise covered by this Policy.

2. Optional Extended Reporting Period

The Named Insured shall have the option to elect, upon payment of an additional premium, to have issued an Endorsement providing for an Optional Extended Reporting Period.

a. The Optional Extended Reporting Period shall cover **Claims** first made and reported to the **Insurer** during the Optional Extended Reporting Period, for **Wrongful Acts** committed on or after the **Retroactive Date** and prior to the effective date of **Termination of Coverage**, and otherwise covered by this Policy.

b. The Named Insured must notify **Us** in writing of its intent to purchase an Optional Extended Reporting Period and must pay the additional premium. The Named Insured shall have the greater of the following in which to submit such notice to **Us**:

- i. sixty (60) days after the effective date of **Termination of Coverage**; or
- ii. thirty (30) days after the date that **We** mail notice advising **You** of the availability of the extended reporting period.

c. The additional premium for the Optional Extended Reporting Period shall be the amount set forth in Item 7 of the Declarations. It may be paid by **You** with either a single payment or in three (3) annual installments with an additional finance charge.

d. The duration of the Optional Extended Reporting Period shall be unlimited and shall begin on the effective date of **Termination of Coverage**.

e. Where premium is due to **Us** for coverage under this Policy, any monies received by **Us** from **You** as payment for the Optional Extended Reporting Period shall first be applied to such premium owing for the Policy.

f. If the Named Insured elects to purchase the Optional Extended Reporting Period, the Optional Extended Reporting Period coverage will not take effect until the premium owed for the Policy is paid in full, and the premium owed for the Optional Extended Reporting Period coverage is paid in full and promptly when due.

g. All premiums paid with respect to the Optional Extended Reporting Period shall be deemed fully earned as of the first day of the Optional Extended Reporting Period.

h. Upon **Termination of Coverage** under this Policy and if **You** elect not to purchase the Optional Extended Reporting Period, a hospital, whose facilities **You** use, will be deemed to be covered for **Claims** first made and reported to the **Insurer** during the Optional Extended Reporting Period, for **Wrongful Acts** committed on or after the **Retroactive Date** and prior to the effective date of **Termination of Coverage**, and otherwise covered by this Policy.

i. Any person employed or otherwise affiliated with **You** will be covered under the Policy and any Extended Reporting Period after such affiliation has ceased for such person's covered **Wrongful Acts** committed during such affiliation.

3. Extended Reporting Period Limit of Liability

The Aggregate Limit of Liability, with respect to **Claims** made during any Extended Reporting Period, will be 100% of the Policy's annual Aggregate Limit of Liability if **You** have had at least three (3) years of continuous claims-made coverage.

Otherwise, the Aggregate Limit of Liability during any Extended Reporting Period will be the greater of:

- a. The amount remaining in the Policy's annual aggregate Limit of Liability; or
- b. 50% of the Policy's annual aggregate Limit of Liability.

The Aggregate Limit of Liability for the Extended Reporting Period will be reinstated annually.

4. Extended Reporting Period for Individual Insureds, Named Insured in Bankruptcy or Dissolution

If the Named Insured is a corporation, partnership or other entity, any natural person insured may purchase an Extended Reporting Period for an unlimited duration, for the additional premium as set forth in Item 7. of the Declarations, in the event that:

- a. the Named Insured entity has been placed in bankruptcy or permanently ceases operations, and
- b. the Named Insured entity or its designated bankruptcy trustee does not purchase an Extended Reporting Period; and
- c. the natural person insured requests to purchase an Extended Reporting Period within one hundred and twenty (120) days of the event (the declaration of bankruptcy or the date of dissolution).

5. Extended Reporting Period Upon Death, Disability or Retirement

a. Upon a **Termination of Coverage** resulting from **Your** death or permanent disability so **You** cannot continue as a psychiatrist, **We** will not charge **You** an additional premium for the Optional Extended Reporting Period endorsement.

b. Upon a **Termination of Coverage** resulting from **Your** permanent retirement as a psychiatrist, and if **You** are at least 55 years old, and have been insured on a claims-made basis with any authorized insurer for 5 consecutive years, **We** will not charge **You** for the Optional Extended Reporting Period endorsement.

c. If no additional premium is required, the Optional Extended Reporting Period endorsement will be provided to **You** or **Your** legal representative (as described in Section VII.I) upon **Our** receipt of reasonable proof of death, permanent disability or permanent retirement.

#### IV. EXCLUSIONS - CLAIMS NOT COVERED:

**We** will not cover any **Claim**:

- A. Arising from **Your** dishonest, fraudulent, criminal, malicious or other intentional acts, errors, or omissions, or that of any person for whose acts **You** are legally responsible. This exclusion will not apply to any individual who did not personally participate in such acts, errors, or omissions, provided that nothing herein shall be construed to provide coverage under this Policy for any criminal proceeding against any of **You**;
- B. Arising from **Your** ownership or operation of a hospital or other similar facility, or any other facility which provides bed and board or in-patient care, or a laboratory;
- C. Arising from medical treatment, including the providing of drugs:
  1. of any person who is not under **Your** care as a psychiatric patient; or
  2. which is not related to the psychiatric care of **Your** patients;
- D. Arising from disputes about **Your** fees, including, but not limited to, collecting fees from third parties and billing investigations by or on behalf of government entities or commercial payors;
- E. Arising out of **Your** employment practices, including **Claims** involving the following: **Discrimination** against **Your** employees; breach of employment contract; **Your** failure or refusal to hire, employ or promote a person; **Your** demotion or discharge of a person; employment-related defamation, humiliation or harassment by **You**; retaliation against an employee; discipline or evaluation of an employee; or misrepresentations or misstatements to employees regarding the terms and conditions of their employment with **You**; including any mental anguish or emotional distress allegedly resulting from the foregoing;
- F. For **Discrimination** on any basis whatsoever against any person not employed by **You**;
- G. For **Wrongful Acts** of a managerial or administrative nature. This Exclusion does not apply to **Wrongful Acts** that arise from **Your** professional activities as a member of a formal accreditation or professional review board of a hospital or professional society, or a professional licensing board;
- H. By any other person or organization covered under this Policy, or for injury or damage sustained by any spouse or person who regularly resides in the home of any individual covered under this Policy;
- I. For **Bodily Injury** or **Property Damage**;
- J. For which **You** or **Your** insurer may be held liable under any workers' or unemployment compensation law, or disability benefits law, or any similar law;
- K. Arising from copyright, trademark or patent infringement;
- L. Arising out of any business relationship between **You** and any past or present patient or client;
- M. Arising from any **Wrongful Act** committed with the knowledge that it was a **Wrongful Act**, or which, before the effective date of this Policy, **You** were aware of and could reasonably have foreseen might result in a **Claim**;
- N. For fines, penalties, or punitive, exemplary, or multiplied damages;
- O. Arising out of any **Wrongful Act** committed while **You** did not have a license required by law or while **Your** license was suspended;
- P. Caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel;
- Q. Arising from any procedure, treatment, course of treatment, or diagnosis that is outside the scope of **Your** specialty or training;
- R. Arising from the design, manufacture, use, distribution, promotion, or sale of any non-FDA approved medication, device or equipment, or protocols;
- S. Arising out of the actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants**; or any liability or obligation to test, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**;
- T. Arising out of any misuse or improper release of confidential, private or proprietary information, or any other act, error or omission in violation of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and any of its related regulations;
- U. Arising out of assault or battery, except if committed in the defense of any person or property and otherwise covered under this Policy.

#### V. LIMITS OF LIABILITY:

- A. Maximum Limits of Liability:
  1. The amount shown in Item 4(a) of the Declarations is the most **We** will be liable to pay under Sections I.A. for any single **Claim**.
  2. The amount shown in Item 4(b) of the Declarations ("Costs Related to any Single **Proceeding**") is the most **We** will be liable to pay under Section I.B. for any single **Proceeding**.
  3. The amount shown in Item 4(c) of the Declarations ("Aggregate") is the most **We** will be liable to pay for all **Claims** and all **Proceedings**, regardless of how many such **Claims** or **Proceedings** there are. This includes **Claims** covered under the "Sexual Misconduct" Section (Section VI) of this Policy.
  4. Defense Expenses are paid outside of the Limits of Liability, except with respect to coverage for **Proceedings**.If **We** have named more than one Named Insured in Items 1(a) or 1(b) of the Declarations, the Limits of Liability shown in the Declarations will apply separately to each insured **We** have named, but only with respect to the coverage **We** provide under Sections I.A. and I.B.
- B. Effect of Paying Limits of Liability:

If **We** have paid the Limit of Liability shown in Item 4(c) of the Declarations, **We** will have no duty to pay any additional amount(s) in connection with any **Claim** or **Proceeding**, whether or not the Limit of Liability applicable to that particular **Claim** or **Proceeding** has been exhausted. Also, **We** will no longer have any duty to defend any **Claim** or **Proceeding** or to provide any of the Additional Benefits described in Section II of this Policy. In such case, **We** shall have the right to withdraw from further investigation or defense of any pending **Claim** or **Proceeding** by tendering control of such investigation or defense to the Named Insured in accordance with Section V.E. and the Named Insured agrees, as a condition precedent to the issuance of this Policy, to accept such tender and proceed solely at its own cost and expense.
- C. Interrelationship of Claims:

All **Claims** arising from the same **Wrongful Act** or from continuous, repeated or related **Wrongful Acts** will be treated as one **Claim**. Such **Claim** will be considered to have been first made when the first such **Claim** was made or the earliest such **Wrongful Act** was first reported to **Us**, whichever was first.

D. Multiple Psychiatrists' Professional Liability Policies:

Two or more policies of Psychiatrists' Professional Liability Insurance may have been issued by **Us** or an affiliate. These policies may also provide coverage for a **Claim** involving the same or continuous, repeated, or related **Wrongful Acts** for which **You** and persons or organizations covered in those other policies are jointly and severally liable. In such an event, and subject to the Limits of Liability shown in the Declarations, **We** shall not be liable under this Policy for a greater proportion of the total loss from that **Claim** than this Policy's applicable Limit of Liability bears to the total applicable Limits of Liability under all such policies.

E. Transfer of Duties When a Limit of Liability is Exhausted

1. If **We** conclude that, based on incidents, occurrences, offenses, **Claims** or suits which have been reported to **Us** and to which this insurance may apply, that any limit (each **Claim**, each incident, each occurrence, aggregate, or other) under the Policy is likely to be exhausted in the payment of judgments or settlements, **We** will notify **You**, in writing, to that effect.
2. When a Limit of Liability described above has actually been exhausted in the payment of judgments or settlements:
  - a. **We** will notify **You**, in writing, as soon as practicable, that:
    - (i) such a limit has actually been exhausted; and
    - (ii) **Our** duty to defend suits seeking damages subject to that limit has ended.
  - b. **We** will initiate, and cooperate in, the transfer of control, to **You**, of all **Claims** seeking damages which are subject to that limit and which are reported to **Us** before that limit is exhausted. **You** must cooperate in the transfer of control of said **Claims**. **We** agree to take such steps, as **We** deem appropriate, to avoid a default in, or continue the defense of, such **Claims** until such transfer is completed, provided **You** are cooperating in completing such transfer. **We** have no obligation to take any action whatsoever with respect to any **Claim** seeking damages that would have been subject to that limit, had it not been exhausted, if the **Claim** is reported to **Us** after that Limit of Liability has exhausted.
  - c. If **You** are involved in a **Claim** whereby **You** are seeking damages subject to that limit, **You** must arrange for the defense of such **Claim** within such time period as agreed to between **You** and **Us**. Absent any such agreement, arrangements for the defense of such **Claim** must be made as soon as practicable.
  3. **You** will reimburse **Us** for expenses **We** incur in taking those steps **We** deem appropriate in accordance with paragraph 2.b. above. **Your** duty to reimburse **Us** will begin on:
    - a. the date on which the applicable Limit of Liability is exhausted, if **We** sent notice in accordance with paragraph 1. above; or
    - b. the date on which **We** sent notice in accordance with paragraph 2.a. above, if **We** did not send notice in accordance with paragraph 1. above.
  4. The exhaustion of any Limit of Liability by the payments of judgments or settlements, and the resulting end of **Our** duty to defend, will not be affected by **Your** failure to comply with any of the provisions of this condition.

VI. **SEXUAL MISCONDUCT:**

\$25,000 is the most **We** will be liable to pay for all **Claims** against **You** involving any alleged **Sexual Misconduct** by **You** or by any person for whom **You** may be legally responsible. If any **Sexual Misconduct** is alleged at any stage during a **Claim**, all allegations in that **Claim** which arise out of the same or related professional treatment or relationship will be subject to that \$25,000 maximum for judgments or settlements. The \$25,000 maximum is part of, and not in addition to, the limits of coverage shown in Items 4(a) and 4(c) of the Declarations. If **We** have paid this \$25,000 maximum, **We** will no longer have any duty to defend any **Claim** involving any **Sexual Misconduct**. There is no coverage available to **You** under this Policy if it is determined by **Your** admission or by a finding or final adjudication in any legal proceeding that **You** have participated in, directed or knowingly allowed any act of **Sexual Misconduct**. Nothing herein shall not be construed to provide coverage under this Policy for any criminal proceeding against any of **You**.

VII. **OTHER PROVISIONS AFFECTING COVERAGE:**

A. Where Coverage Applies:

**We** cover **Wrongful Acts** taking place anywhere in the world. However, if a **Claim** is made and brought in a jurisdiction outside of the United States of America, its territories and possessions, Puerto Rico or Canada and **We** lack the expertise or are not permitted by law to defend in such jurisdiction, **We** shall reimburse **You** for reasonable defense expenses incurred by **You** in the defense of such **Claim**, but shall have no duty to defend such **Claim**.

B. What You Must Do in the Event of a Claim:

In order for a **Claim** to be covered:

1. **You** must give **Us** or **Our** authorized agent written notice of any **Claim** as soon as practicable after it is first made, but in no event more than 60 days after the end of the **Policy Period**, subject to the final paragraph of this Section B. set forth below, unless **You** have obtained a reporting endorsement pursuant to Section III.C; and
2. **You** must also, as soon as possible, record and notify **Us** of the specifics of the **Claim** and the date **You** first received notice of it; and
3. **You** must send **Us** or **Our** authorized agent all demands or legal papers **You** receive. Written notice by **You**, or on **Your** behalf, or written notice by or on behalf of **You** or other claimant, to any licensed agent of **Ours**, with particulars sufficient to identify **You**, shall be deemed notice to **Us**. Failure to give notice within the time prescribed above shall not invalidate any **Claim** if it can be shown that it was not reasonably possible to give such notice within the time prescribed above, and that notice was given as soon as reasonably possible.

C. What to Do if You Become Aware of a Wrongful Act which Might Give Rise to a Claim:

If, during the **Policy Period**, **You** first become aware of a **Wrongful Act** which **You** believe may give rise to a **Claim**, in order for any resulting **Claim** to be covered, **You** must give **Us** or **Our** authorized agent written notice during the **Policy Period** of such **Wrongful Act**. In that notice, **You** must state when and where the **Wrongful Act** took place, the names and addresses of any witnesses and/or injured people, and the nature and location of any injury or damage.

Written notice by **You**, or on **Your** behalf, or written notice by or on behalf of **You** or other claimant, to any licensed agent of **Ours**, with particulars sufficient to identify **You**, shall be deemed notice to **Us**.

D. Your Assistance and Cooperation:

**You** agree to cooperate with and help **Us** make settlements, enforce any legal rights **You** or **We** may have against anyone who may be liable

to **You**, attend depositions, hearings and trials, secure and give evidence, and obtain the attendance of witnesses.

**You** will not assume any financial obligation or pay out any money without **Our** prior consent. If **You** do, it will be at **Your** own expense.

E. Lawsuits Against Us:

If **We** do not pay any judgment covered by the terms of this Policy within thirty (30) days from the service of notice of the judgment upon **You** or **Your** attorney and **Us**, then an action may be brought against **Us** under the terms of the Policy for the amount of judgment not exceeding the amount of the Limit of Liability under the Policy, except during a stay or limited stay of execution against **You** on such judgment.

No one can sue **Us** to recover under this Policy unless **You** have complied with all of its terms. A person or organization may sue **Us** to recover up to the Limits of Liability under this Policy, but only after **Your** liability has been decided either by a judgment or by a written agreement signed by **You**, **Us**, and the party making the **Claim**.

F. Other Insurance:

A **Claim** covered under this Policy may also be covered under another policy **You** have. In that event, this Policy will apply only in excess of such other valid and collectible coverage, no matter how such other coverage is described. This clause will not apply to coverage which is expressly stated to apply in excess of this specific Policy.

G. Recovering Damages From a Third Party:

**You** may be able to recover all or part of a loss from someone other than **Us**. If **We** make a payment under this Policy to **You** or on **Your** behalf, some or all of **Your** right to recover that loss may then belong to **Us**. **You** must do all that is possible after a loss to preserve any such right of recovery, so **We** will be able to pursue **Our** rights. **You** will do whatever is necessary, including signing documents, to help **Us** pursue **Our** rights.

H. Policy Changes:

This Policy contains all the agreements between **You** and **Us** or **Our** authorized agents concerning this insurance. The first Named Insured in the Declarations is authorized to make changes in this Policy, with **Our** consent. This Policy can only be changed by a written endorsement **We** issue and make a part of this Policy.

I. Assignment:

**You** cannot assign or transfer **Your** interest in this Policy without **Our** written consent attached to the Policy. If **You** die or are declared legally incompetent, **Your** rights and duties will be transferred to **Your** legal representative while acting within the scope of his or her duties as such.

J. Special Rights and Duties of the First Named Insured:

**You** agree that when there is more than one person or organization covered under this Policy, the first named insured in the Declarations will act on behalf of all of **You** with respect to giving and receiving notice of cancellation, the payment of premiums and receipt of return premiums, and the acceptance of any endorsements to this Policy.

K. Representations:

By accepting this Policy, **You** agree that the particulars and statements in the application are true and that they are **Your** agreements and representations.

**You** acknowledge that this Policy is issued in reliance upon the truth of those particulars and statements, which are deemed to be incorporated into and constitute a part of this Policy and which are the basis for this Policy.

L. Bankruptcy:

**You** or **Your** estate's bankruptcy or insolvency does not relieve **Us** of **Our** obligations under the Policy.

M. Cancellation:

1. **You** may cancel this Policy by surrendering it to **Us** or to any of **Our** authorized agents, or by mailing **Us** written notice stating when thereafter the cancellation will be effective.

2. If the Policy has been in effect for sixty (60) days or less, **We** may cancel this Policy for nonpayment of premium, or for any other reason, by mailing or delivering to the Named Insured shown in Item 1(a) of the Declarations, written notice of cancellation at least twenty (20) days before the effective date of cancellation. Such notice will be sent to the Named Insured at the address shown in Item 1(a) of the Declarations, and to the Named Insured's authorized agent or broker. If cancellation is due to nonpayment of premium, the notice of cancellation will include the amount due.

3. Once the Policy has been in effect for more than sixty (60) days, **We** may cancel this Policy for nonpayment of premium, or one of the following reasons:

- a. if any of **You** are convicted of a crime that involves increasing a hazard insured against;
- b. fraud or material misrepresentation on the application or in the pursuit of a **Claim**;
- c. discovery of an act or omission, or violation of a policy condition, by any of **You**, that substantially and materially increases the hazards insured against;
- d. a material change in the risk, which occurs after the issuance or the last annual renewal anniversary date of the Policy, and which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
- e. if the Superintendent of Insurance determines continuation of the Policy would be a violation of the state's insurance laws; would jeopardize **Our** solvency; or would be hazardous to the interest of **Our** policyholders, creditors, or the public;
- f. revocation or suspension of **Your** license to practice in **Your** profession.

**We** will mail or deliver written notice of cancellation to the Named Insured at the address shown in Item 1(a) of the Declarations, and to the Named Insured's authorized agent or broker, at least fifteen (15) days before the effective date of cancellation. The reason for cancellation will be stated on the notice. If cancellation is due to nonpayment of premium, the notice of cancellation will include the amount due.

4. The mailing of the notice as stated above will be sufficient proof of notice. The time of surrender or the effective date of cancellation stated in the notice will become the end of the **Policy Period**. Delivery of written notice will be the equivalent of mailing.

5. If **You** cancel this Policy, the unearned premium will be computed in accordance with the customary short rate table and procedure. If **We** cancel, unearned premium will be computed pro-rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

N. Renewal:

1. **We** shall not be required to renew this Policy upon its expiration. If **We** elect not to renew this Policy, **We** will give notice at least sixty (60)

days, but not more than one hundred twenty (120) days, prior to the effective date of non-renewal or Conditional Renewal as described below.

2. A notice of Conditional Renewal will be sent in the event of a:

- a. change of limits;
- b. change in type of coverage;
- c. reduction of coverage;
- d. increased deductible;
- e. additional exclusion;
- f. premium increase in excess of ten percent (10%), exclusive of any premium increase generated as a result of increased exposure units or as a result of experience rating, loss rating, retrospective rating or audit.

3. Notices of non-renewal or Conditional Renewal shall be either delivered or mailed to the Named Insured at the address shown in Item 1(a) of the Declarations, and to the Named Insured's agent or broker, and shall include specific reason(s) for non-renewal or Conditional Renewal.

4. In the event that a late non-renewal or conditional renewal notice, or an incomplete conditional renewal notice, is sent by **Us**:

a. prior to the Expiration Date of the Policy, coverage shall remain in effect on the same terms and conditions of the expiring policy until sixty (60) days after such notice is mailed or delivered, at the current rates in effect at the time or the prior policy period's rates, whichever is lower, unless **You** have replaced the coverage or elected to cancel (in which event return premium shall be calculated on a pro rata basis); provided, however, that if **You** elect to renew on the basis of the conditional renewal notice, then such terms, conditions and rates shall govern the policy upon expiration of the sixty (60) day period unless such notice was provided at least thirty (30) days prior to the Expiration Date of the policy, in which event, the terms, conditions and rates set forth in the conditional renewal notice shall apply as of the renewal date;

b. on or after the Expiration Date of the Policy, coverage shall remain in effect on the same terms and conditions of the expiring policy for another required policy period, at the current rates in effect at the time or the prior policy period's rates, whichever is lower, unless, during the additional required policy period, **You** have replaced such coverage or elects to cancel such coverage (in which event return premium shall be calculated on a pro rata basis).

The annual aggregate limit of liability for the expiring policy shall be increased in proportion to the policy extension provided, that, if **You** elect to accept the terms, conditions and rates of conditional renewal, a new annual aggregate limit of liability shall become effective as of the inception date of renewal.

O. 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.

VIII. **DEFINITIONS:**

- A. **Automobile** means a land vehicle (whether or not self-propelled) or a trailer or semi-trailer, including any attached machinery or apparatus, whether or not subject to motor vehicle registration or designed for use principally on public roads.
- B. **Bodily Injury** means bodily harm, sickness or disease, including any resulting death, including any mental anguish or emotional distress resulting therefrom.
- C. **Claim** means written notice received by **You** that someone intends to hold **You** responsible for a **Wrongful Act**. This includes a lawsuit or arbitration proceeding. A **Claim** will be deemed to have been first made when the Insurer receives written notice of a **Claim** or suit from **You** or a third party, provided that **Your** compliance with the notice requirements in Section VII.B. and VII.C. is a condition precedent to coverage under this Policy.  
A **Claim** shall not include a criminal proceeding.
- D. **Discrimination** means unfair treatment or denial of services to any person based on his or her race, age, national origin, religion, disability of any kind, sex, sexual orientation, or any other protected status.
- E. **Policy Period** means the period commencing on the Effective Date shown in the Declarations. This period ends on the earlier of either the Expiration Date or the effective date of **Termination of Coverage**. If **You** become an insured under this Policy after the Effective Date, then with respect to **Your** coverage, the **Policy Period** begins on the date **You** become an insured.
- F. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.
- G. **Proceeding** means a hearing or disciplinary action before a state or other licensing board or governmental regulatory body involving allegations of unprofessional conduct, or a civil proceeding in which **You** are not a defendant but have been ordered to offer deposition testimony regarding treatment rendered to a patient, or a civil proceeding in which **You** are not a party but have received a subpoena for record production.
- H. **Property Damage** means physical injury to or destruction of tangible property, including loss of use of it, or loss of use of tangible property which has not been physically injured or destroyed.
- I. **Retroactive Date** means a date concurrent with the effective date of the Policy or a particular date prior to the effective date of the Policy upon which **You** and **We** agree that coverage will be applicable, as stated in Item 6 of the Declarations.
- J. **Sexual Misconduct** means any type of actual, alleged, attempted, or proposed physical touching or caressing, or suggestion thereof by **You** or any person for whom **You** may be legally responsible, with or to any of **Your** past or present patients or clients, or with or to any relative or any person whom regularly resides with any such patient or client, or with or to any person with whom such patient or client or relative has an affectionate personal relationship, which could be considered sexual in nature and/or inappropriate to any psychiatric services being provided.
- K. **Termination of Coverage** shall mean:
  1. cancellation or non-renewal of this Policy whether made by **You** or **Us** at any time;
  2. a decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion, or any change in coverage less favorable to **You**.
- L. **We, Us** or **Our** means the Insurer specified in the Declarations.

- M. **Wrongful Act** means any actual or alleged negligent act, error, or omission solely in the performance of, or actual or alleged failure to perform, professional services for others in **Your** profession as a psychiatrist, including **Your** services as a member of a formal accreditation or professional review board of a hospital or professional society, or professional licensing board.
- N. **You or Your** means:
1. the individual, partnership, or corporation designated as the Named Insured in Item 1(a) of the Declarations, including any partner, executive officer, director or stockholder thereof, and the individual(s) designated as Additional Named Insureds in Item 1(b) of the Declarations; and
  2. any present or former employee, partner, executive officer, director or stockholder of the Named Insured designated in Item 1(a) of the Declarations, but only while acting in his or her capacity as such; and
  3. any individual, partnership or corporation designated in Item 2 of the Declarations, but only as to matters for which a Named Insured may be liable; and
  4. any other person or entity insured under this Policy via an Endorsement hereto.

In witness whereof, **We** have caused this Policy to be issued.