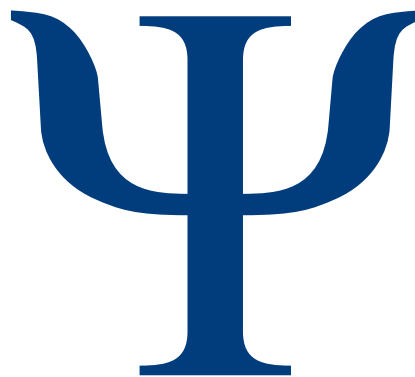


American Professional
Agency, Inc.



PSYCHOLOGISTS' PROFESSIONAL AND
OFFICE LIABILITY INSURANCE PROGRAM



Program Administered by:
American Professional Agency, Inc.

Program Underwritten by:
Darwin Professional Underwriters, Inc.

A SPECIAL INSURANCE PLAN DESIGNED FOR YOU

American Professional Agency, Inc. has worked for over 30 years to meet the insurance needs of mental health professionals with caring professional services.

Psychology demands personal involvement with people, their situations and their environment. Unfortunately, such involvement in the course of your work may sometimes place you in a situation where you are vulnerable to legal action. There is always the possibility that you may be held personally responsible for some alleged malpractice, error or mistake, arising out of your professional services regardless of your training or experience.

Lawsuits are unpleasant. They're also expensive. Any claim by one of your clients for alleged negligence, even though it may be invalid, must be defended. Just the cost of such defense can be very high.

If you are named in a lawsuit, you need and deserve the best liability coverage available. You want professional liability coverage designed and administered by the foremost authority in professional liability.

UNDERWRITING

Completion of an application does not bind the insurance company to issue coverage. While most applicants are accepted, it is possible that an applicant may not be accepted based upon information contained in the application.

All policies will become effective on the first day of the month following the date the completed application is approved and premium is received. Consideration will be given to those applicants requiring a date other than the first of the month, however, no policies will be backdated. Please make this request when the application is submitted.

Policy coverages and benefits are subject to the terms, conditions and exclusions contained in the policy. For complete provisions, including exclusions, please refer to the policy itself. A specimen copy of the policy is available upon request or on our website at www.americanprofessional.com.

ELIGIBILITY

You must hold a Doctorate in Psychology or have a valid Psychology license. If you are not licensed, you must clarify as to how you are practicing legally in your state without a license. Please note, if you are in the process of receiving your license and are under supervision you must submit a letter with your supervisor's name, degree, field of study and license number.

COVERAGE FEATURES

Claims-made coverage

The policy protects you for any covered act, error or omission in rendering or failing to render professional services, which were performed (or should have been performed) **after** the retroactive date shown on your Declarations page. The claim must **also** first be made while the policy is in effect.

Claims-made policies generally require stepped increases for a five to six year period from the policy's inception. At the end of this period, the policy is said to "mature" and the premium usually stabilizes and levels off.

Extended Reporting Period Endorsement (Tail Coverage)

When your coverage under this policy ends, either because you decide to cancel it or not renew it, or we cancel or nonrenew (other than for nonpayment of premium), we will offer you in accordance with the terms of the policy, the right to purchase an unlimited extended reporting period endorsement within 60 days from the cancellation date or nonrenewal for an additional premium charge of 175% of your expiring annual premium.

We will offer you the right to request the extended reporting period endorsement at no additional charge if you fully retire and had a policy with us for 5 years, if you become permanently disabled or upon death.

Prior Acts Option

Prior Acts coverage may be available for your claims-made policy if approved by the underwriters.

This option is made available to those applicants whose current coverage is written on a claims-made basis and wish to maintain their current retroactive date to avoid any gap in coverage. If you did not purchase the tail from your previous claims-made policy, we advise you do so or purchase prior acts coverage. Purchasing prior acts coverage may be less expensive than purchasing a tail on your previous policy. If you do not purchase a tail on your previous policy, or purchase prior acts coverage on your new policy, you will have a gap in your insurance coverage. You will be uninsured for those activities that took place while you were insured under the previous policy but were reported after that policy's termination.

Additional Coverage Features

- Separate limits of liability (per claim and each aggregate) for professional liability and defense reimbursement for each named insured on group policies.
- Automatic coverage of additional professionals hired during the policy term. Note that the policy broadly defines **You** to mean the individual, partnership, corporation or any entity named in the Declarations (face page) of the policy **and also** any present or former employee, partner, executive officer, director or stockholder thereof while acting in his or her duties as such.
- Built-in \$5,000 for legal fee reimbursement for costs relating to proceedings (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).
- Worldwide coverage as long as the suit is brought in a court in the U.S.A. or Canada.
- \$250 per diem up to \$5,000 for income loss due to your attendance at court and/or depositions in defending a suit against you.
- Premises Liability at no additional charge to protect you from third parties who are injured (tripping or falling, etc.) while at your professional office.
- Defense costs, charges and expenses are covered in addition to the limits of liability chosen.
- In the event of a covered loss, the Company will appoint qualified legal counsel to defend you. Coverage shall also apply to loss and claims expenses, adjusting expenses, investigation costs and legal fees.

PREMIUM

Premiums are based on type of practice, the limits of liability chosen and the length of prior acts chosen.

Premium discounts are available, please refer to the premium schedule enclosed for a complete description.

PROGRAM ADMINISTRATOR

The program administrator is the American Professional Agency, Inc. (APA) who ranks in the top 100 insurance brokers in the country servicing over 100,000 policyholders.

APA provides highly qualified professional insurance personnel to each of our clients, who in turn are supported by our Executive Group and our Technical Services Operations. APA representatives are thoroughly trained and prepared to assist you in answering any and all questions, helping you fill out your application, and providing you with a premium quote.

INSURANCE COMPANY

Providing a top quality insurance policy is only part of our commitment. We place our insureds' coverage with financially secure insurance companies who specialize in professional liability insurance.

Darwin National Assurance Company, Platte River Insurance Company and Darwin Select Insurance Company are member companies of Alleghany Holdings, LLC rated A- or better by A.M. Best Company.

SUPPLEMENTAL FORMS

Some additional information may be required if you are requesting certain coverages on your Psychologists' Professional Liability policy. In order to advise you if you qualify for these coverages, additional forms are required.

The following forms are included:

Part-time Worksheet – MUST be included if you are applying for the Part-time discount.

Additional Insured Request – If you are requesting an Additional Insured/Landlord be added to your coverage this form must be completed.

Quarterly Billing Request Form – If you wish to pay your premium quarterly, the annual premium must be \$1,000 or more. The quarterly billing request form must accompany your application with the first installment (35% of the annual premium rounded to the nearest dollar). A \$5.00 service charge will be assessed to the remaining quarters. A \$20.00 service charge will be assessed to any payment which is returned for uncollected funds.

APPLICATION COMPLETION GUIDELINES

1. EVERY QUESTION ON THE APPLICATION MUST BE ANSWERED.
2. If you answer "YES" to any of the questions in the Representation Section, make sure you provide us with all documentation required.
3. If you are requesting Prior Acts coverage, we require a copy of your current Declarations page.
4. Make sure you sign and date the completed application. (Application must be dated within 30 days of receipt.)
5. Please make the checks (U.S. currency only) payable to: American Professional Agency, Inc.
6. If you are not licensed, you must clarify how you are legally practicing in your state without a license. If you are in the process of receiving your license and are under supervision, please submit a letter with your supervisor's name, degree, field of study and license number.

PART-TIME DISCOUNT WORKSHEET

THIS FORM MUST BE RETURNED WITH YOUR APPLICATION ONLY IF YOU ARE APPLYING FOR THE PART-TIME RATE.

	Number of hours per week
1. Practice as a sole practitioner seeing patients. This would include private practice, paid consultation, supervision and volunteer work.	_____
2. Practice as a W2 form employee.	_____
3. Supervision of students seeing patients. (Time spent in teaching does not need to be included.) However, if you have indicated on your application that you are working at a University/College please state the number of hours of clinical practice performed there.	_____
4. Do you own or partly own a Corporation, Partnership or LLC that provides Mental Health services? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, you may not qualify for the part-time rate.*	
Total weekly hours	_____

Signature

Date

NOTE:

Please be advised that you do not qualify for the part-time discount if your total working hours in all positions (including W2 employment) exceeds 20 hours a week. ***Also, if you are incorporated, in a partnership, have any W2 form employees or if you use the services of four (4) or more independent contractors you do not qualify for this discount due to the added exposure. You must submit the full-time premium.**

The 35% part-time premium discount must be applied to the premium before any CE credit is applied, not along with the part-time discount. Eligible CE discounts can only be applied after the part-time discount.

Furthermore, Risk Management discounts should not be taken. You must submit the premium and completion certificates and we will refund the difference if Risk Management courses meet underwriting criteria.

NAME: _____

REQUEST FOR ADDITIONAL INSURED
Complete the following questionnaire and return to:

American Professional Agency, Inc.
95 Broadway
Amityville, NY 11701

1. Name & Address of proposed Additional Insured:

2. Nature of proposed Additional Insured's Business:

3. The Additional Insured is my:
 Employer Landlord Professional Corporation
Other _____ (specify)

4. The Additional Insured gives me the following form to file with the IRS:
 W2 1099
Other _____ (specify)

5. Describe relationship between you and the proposed Additional Insured:

6. Are you requesting that the entity named in Question #1 be added as an Additional Insured in order to fulfill a contractual obligation?
 Yes No If yes, give full particulars:

Signature of Insured: _____ **Date:** _____

Signing this form and tendering premium does not bind the applicant or the Company to add the proposed Additional Insured to the policy. Please make checks (U.S. currency only) payable and mail to the "American Professional Agency, Inc."

QUARTERLY BILLING FORM

PLEASE READ THE FOLLOWING INFORMATION CONCERNING OUR QUARTERLY BILLING PROCEDURE

The following procedures will be followed if you choose to pay your premium quarterly:

1. A bill will be issued to you 45 days prior to the due date for each quarterly payment.
2. Since we are required to give you advance notice that your coverage will lapse if payment is not received, a notice is sent on the due date stating that if payment is not received your policy will be cancelled on the date indicated on the cancellation notice. This is done for state regulations and also serves in some cases as a reminder that payment has not been received.
3. If a notice of cancellation is sent out and payment is then received prior to the cancellation date, a letter voiding out the cancellation will be provided to you.

My annual premium is \$1,000 or more and I wish to make my payments in installments. I have remitted 35% of the annual premium. I understand that I will be billed for the remaining quarters and a \$5.00 service charge will be included in each quarterly bill. A \$20.00 service charge will be assessed to each quarterly payment which is returned for uncollected funds.

Signature: _____ Date: _____

COMMONLY ASKED QUESTIONS REGARDING COVERAGE

Q. Am I covered for Biofeedback?

A. Yes. Biofeedback treatment is covered unless it involves medical treatment.

Q. If I am teaching a psychology course and a student brings legal action as a result of a failing grade, am I covered?

A. Yes.

Q. Am I covered for serving on Professional Boards?

A. You're covered for professional services rendered as a psychologist, including your services as a member of a formal accreditation or professional review board of a hospital or professional society, or professional licensing board.

Q. Am I covered for practicing Psychoanalysis?

A. Yes. Psychotherapy, Psychoanalytic Psychotherapy and Psychoanalysis are modalities that will be covered.

Q. Am I covered for practicing Divorce Mediation?

A. Yes. Divorce Mediation is covered as long as practice and treatment are confined to the mental health field.

Q. Am I covered against sexual involvement with patients?

A. Any claim where one of the allegations is sexual misconduct (including but not limited to, an attempt or proposed erotic physical contact with any patient or client or certain other persons) is subject to an aggregate sublimit of \$25,000. This is the most the insurance company will pay for damages for all claims.

Q. Am I covered for administrative or managerial work or business decisions?

A. You are covered for decisions you make which require your professional training as a psychologist. This would include psychological supervision, professional issues and case management issues. You would not be covered for business decisions such as buying computers, hiring or firing staff, personnel decisions, fiscal and budgeting decisions, etc. Such administrative, managerial or business decisions could be made by professionals who are not psychologists. This policy covers professional psychology services only.

Any questions regarding the coverage should be addressed to:

American Professional Agency, Inc.

95 Broadway, P. O. Box 9007

Amityville, NY 11701

(631) 691-6400 (800) 421-6694

www.americanprofessional.com

This insurance is offered through the Professional Counselors Purchasing Group, Inc.

In conjunction with the American Professional Agency, Inc.

Underwritten by:

Darwin Professional Underwriters, Inc.

For: Darwin National Assurance Company

Platte River Insurance Company

Darwin Select Insurance Company