
OCCURRENCE-BASED SOCIAL SERVICE AGENCY PROFESSIONAL LIABILITY POLICY

NOTICE: THIS POLICY PROVIDES OCCURRENCE-BASED COVERAGE. A LOWER LIMIT OF LIABILITY APPLIES TO JUDGMENTS OR SETTLEMENTS WHEN THERE ARE ALLEGATIONS OF SEXUAL MISCONDUCT (SEE SECTION V.C., “MAXIMUM LIMIT OF LIABILITY - SEXUAL MISCONDUCT” IN THE POLICY). PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR LEGAL OR INSURANCE ADVISOR.

In consideration of the payment of the premium and in reliance upon the application submitted in connection with the underwriting of this Policy, which shall be deemed to be attached to, incorporated into, and made a part of this Policy, the **Insurer** and the **Named Insured**, on behalf of all **Insureds**, agree as follows:

I. INSURING AGREEMENTS

A. Social Service Agency Professional Liability

The **Insurer** will pay on behalf of the **Insured**, subject to the applicable Limit of Liability, the **Damages** arising from a **Claim** made against the **Insured** for a **Professional Incident**, and reported to the **Insurer** in accordance with the terms of this Policy. The **Professional Incident** must take place during the **Policy Period**.

With respect to any **Claim** for which coverage is provided, in whole or in part, under Insuring Agreement A., the **Insurer** has the right and duty to defend such **Claim**, at the **Insurer’s** expense and using counsel selected by the **Insurer**, even if any of the allegations in the **Claim** are groundless, false or fraudulent.

B. Information Privacy Liability

(1) The **Insurer** will pay on behalf of the **Insured**, subject to the applicable Limit of Liability, the **Defense Expenses** and **Damages** arising from a **Claim** made by a **Regulator** against the **Insured** for any **Privacy Wrongful Act**, and reported to the **Insurer** in accordance with the terms of this Policy. The **Privacy Wrongful Act** must take place during the **Policy Period**.

(2) The **Insurer** will pay on behalf of the **Insured**, subject to the applicable Limit of Liability, the costs incurred by the **Insured** in notifying the **Insured’s Patients/Clients** of a **Privacy Wrongful Act** as mandated by any U.S. federal or state privacy protection statutes or regulations, but only if such **Privacy Wrongful Act** is reported to the **Insurer** in accordance with the terms of this Policy. The **Privacy Wrongful Act** must take place during the **Policy Period**.

Coverage under this Insuring Agreement B.(2) applies regardless of whether or not a **Claim** for a **Privacy Wrongful Act** is made against an **Insured** under Insuring Agreement B.(1).

II. ADDITIONAL COVERAGES

A. Defense Expenses for Claims

The **Insurer** will pay on behalf of the **Insured** the **Defense Expenses** incurred by the **Insured** arising from any **Claim** covered under Insuring Agreement A.

B. Insured's Costs For Claims

The **Insurer** will pay on behalf of the **Insured** the reasonable costs, other than loss of earnings, incurred by the **Insured**, at the **Insurer's** request, in connection with defending any **Claim** covered under this Policy.

The **Insurer** will also pay the **Insured** up to \$1,000 per day for loss of earnings, if the **Insured** is unable to render **Professional Services** since the **Insured** is assisting, at the **Insurer's** request, in the defense of a **Claim** covered under this Policy.

C. Legal Bonds for Claims

The **Insurer** will pay the premiums for appeal bonds, or bonds to release property used to secure a legal obligation, if required with respect to a **Claim** covered under this Policy. However, the **Insurer** will only pay such premiums to the extent that the face or principal amount of the bond is within the applicable Limits of Liability of this Policy. The **Insurer** shall have no obligation to appeal any decision or to obtain these bonds.

D. Defense Expenses for Proceedings

The **Insurer** will pay on behalf of the **Insured**, subject to the applicable Limit of Liability, **Defense Expenses** only, which arise from a **Proceeding** first brought during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

E. Emergency Aid Expenses

The **Insurer** will reimburse the **Insured**, subject to the applicable Limit of Liability, for costs and expenses for medical supplies, and for one (1) hour of the **Insured's** lost earnings at an hourly rate of \$100.00 per hour or the **Insured's** average hourly rate charged for **Professional Services**, whichever is less. The **Insured** must voluntarily incur such costs and expenses by rendering emergency treatment or services at the scene of an accident, medical crisis or disaster, provided that such treatment or services takes place during the **Policy Period** and that the **Insured** as soon as practicable reports any costs or expenses to the **Insurer**.

F. Assault or Battery

The **Insurer** will reimburse the **Insured** for medical expenses that the **Insured** incurs as a result of **Bodily Injury** to the **Insured** caused by an **Assault or Battery**, or **Property Damage** to the **Insured's** personal property if caused by an **Assault or Battery**. The **Assault or Battery** must be committed by a **Patient/Client** of the **Insured**, or by the **Patient/Client's** immediate family member, during the **Insured's** rendering of **Professional Services**.

Provided always that:

- (1) such **Assault or Battery** takes place during the **Policy Period**;
- (2) the treatment or other services eligible for reimbursement as medical expenses are rendered within one (1) year of the **Assault or Battery**, and the medical expenses are reported to the **Insurer** within ninety (90) days from the date such treatment or service was rendered; and
- (3) the **Insured** submits to examination, as often as reasonably required by the **Insurer**, by physicians of the **Insurer's** choice and at the **Insurer's** expense.

Coverage under this **Assault or Battery** Additional Coverage is excess over any other valid and collectible insurance, including workers' compensation or health insurance.

III. DEFINITIONS

- A. "**Advertisement**" means a notice that is broadcast or published to the general public or specific market segments for the purpose of attracting **Patients/Clients**. For the purposes of this definition, notices that are published include material placed on the Internet or on similar electronic means of communication;
- B. "**Assault or Battery**" means the willful infliction of physical harm on the **Insured**, by a **Patient/Client** or their immediate family member, or any attempt thereof.
- C. "**Bodily Injury**" means bodily harm, sickness or disease, including any resulting death, and mental anguish or emotional distress resulting therefrom.
- D. "**Claim**" means any:
 - (1) written demand for monetary relief made against an **Insured**;
 - (2) judicial proceeding which is commenced against an **Insured** by service of a civil complaint, notice of charges or similar pleading;
 - (3) arbitration, mediation or other alternative dispute resolution proceeding commenced against an **Insured** by service of a demand for arbitration, mediation or other alternative dispute resolution; or
 - (4) administrative proceeding or formal investigation commenced by a **Regulator**, but solely as respects Insuring Agreement B.

Multiple demands, proceedings or investigations arising out of the same **Professional Incident** or **Privacy Wrongful Act** shall be deemed a single **Claim**.

- E. "**Damages**" means:
 - (1) settlements or judgments;
 - (2) pre-judgment or post-judgment interest; and
 - (3) costs or fees awarded in favor of the claimant.

Damages do not include:

- (a) amounts for which the **Insureds** are not legally liable;

- (b) amounts which are without legal recourse to the **Insureds**;
- (c) taxes;
- (d) the return, restitution, refund or disgorgement of fees, profits or amounts charged, held or retained by the **Insured** in connection with the rendering of **Professional Services**;
- (e) fines or penalties, except:
 - (i) as provided for in Section V.D. ; or
 - (ii) **HIPAA** fines and penalties, but solely under Insuring Agreement B.(1);
- (f) any costs, fees or expenses to comply with a determination or decision made by a regulatory body, licensing board, agency or other organization in a **Proceeding**; or
- (g) amounts deemed uninsurable under applicable law.

F. “**Defense Expenses**” means reasonable and necessary fees, costs, charges or expenses resulting from the investigation, defense or appeal of a **Claim** or a **Proceeding**. **Defense Expenses** shall include premiums for an appeal bond, attachment bond or similar bond, but the **Insurer** shall have no obligation to apply for or furnish such bond.

Defense Expenses do not include:

- (a) amounts incurred prior to the date a **Claim** is first made, or a **Proceeding** is first brought, and reported to the **Insurer**;
- (b) compensation or benefits of any natural person **Insured** or any overhead expenses of any **Insured** organization;
- (c) fines or penalties; or
- (d) any costs, fees or expenses to comply with a determination or decision made by a regulatory body, licensing board, agency or other organization in a **Proceeding**.

G. “**Employee**” means an individual whose labor or service is engaged by and directed by the **Named Insured** for compensation or remuneration. This includes part-time, seasonal and temporary **Employees**. Independent contractors are not **Employees**.

H. “**HIPAA**” means the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191), as amended, and any regulations promulgated thereunder.

I. “**Insured(s)**” means:

- (1) the individual, partnership, or corporation designated as the **Named Insured** in Item 1 of the Declarations;
- (2) any present or former **Employee** of the **Named Insured** designated in Item 1 of the Declarations, but only while acting in his or her capacity as such;
- (3) any present or former partner, executive officer, director or stockholder of the **Named Insured** designated in Item 1 of the Declarations, but only while acting in his or her capacity as such;
- (4) 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;

- (5) the lawful spouse or domestic partner (whether such status is derived by reason of statutory law, common law or otherwise) of an **Insured** arising solely out of his or her status as the spouse or domestic partner of an **Insured**; provided, however, that coverage shall not be afforded for any actual or alleged **Professional Incident** or **Privacy Wrongful Act** by or on the part of the spouse or domestic partner, unless such person is an **Insured**;
 - (6) the estates, heirs or legal representatives of any incompetent, insolvent, bankrupt or deceased person who was an **Insured** at the time the **Professional Incident** or **Privacy Wrongful Act** upon which such **Claim** is based were committed; provided, however, that coverage shall not be afforded for any actual or alleged **Professional Incident** or **Privacy Wrongful Act** by or on the part of any such estates, heirs or legal representatives;
 - (7) volunteers, but only for acts within the scope of their duties while working for the **Insured**; and
 - (8) students-in-training, but only for acts within the scope of their duties while working for or training with the **Insured**.
- J. **“Insurer”** means the Insurer specified in the Declarations.
- K. **“Named Insured”** means the natural person(s) or organization(s) named in Item 1 of the Declarations.
- L. **“Patient/Client”** means any person receiving, or admitted or registered to receive, **Professional Services** from the **Named Insured**, whether on an inpatient, outpatient or emergency basis.
- M. **“Personal or Advertising Injury”** means injury, including consequential **Bodily Injury**, arising out of one or more allegations of the following offenses:
- (1) false arrest, detention or imprisonment;
 - (2) malicious prosecution;
 - (3) the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - (4) oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - (5) oral or written publication, in any manner, of material that violates a person's right of privacy;
 - (6) the use of another's advertising idea in any **Advertisement**; or
 - (7) infringing upon another's copyright, trade dress or slogan in any **Advertisement**.
- N. **“Personally Identifiable Information”** means:
- (1) information from which an individual may be uniquely and reliably identified, including, but not limited to an individual's name, address, telephone number, email address, in combination with their social security number, account relationships, account numbers, passwords, PIN numbers, credit card numbers or

biometric information; or

- (2) personal information as defined in any U.S. federal or state privacy protection law governing the control and use of an individual's personal and confidential information, including any regulations promulgated thereunder, or any similar or related laws or regulations of any foreign jurisdiction, including but not limited to:
 - (a) "nonpublic personal information" as defined by Title V of the Gramm-Leach-Bliley Act of 1999, as amended, and any regulations promulgated thereto;
 - (b) "protected health information" as defined by **HIPAA**.

O. "**Policy Period**" means the period commencing on the inception date shown in Item 3 of the Declarations. This period ends on the earlier of either the expiration date shown in Item 3 of the Declarations or the effective date of cancellation of this Policy.

P. "**Pollutant**" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.

Q. "**Privacy Wrongful Act**" means any actual or alleged act, error, or omission committed by any **Insured**, solely in connection with the rendering of **Professional Services**, which results in:

- (1) the misappropriation or disclosure of **Personally Identifiable Information**;
- (2) a breach or violation of U.S. federal or state law or regulations associated with the control and use of **Personally Identifiable Information**;

Privacy Wrongful Act shall not include any breach or violation of any U.S. federal or state law if such breach or violation is not the result of the actual or potential unauthorized disclosure of, or access to **Personally Identifiable Information**.

All such acts, errors or omissions, as referenced in this definition, that are actually or allegedly caused, committed, or attempted by or claimed against one or more **Insureds** arising out of the same or relating to the same or series of related facts, circumstances, situations, transactions or events shall be deemed to be the same **Privacy Wrongful Act**. **Privacy Wrongful Act** does not include a **Professional Incident**.

R. "**Proceeding**" means any:

- (1) hearing or disciplinary action before any regulatory body, licensing board, agency or other organization responsible for monitoring, licensing or regulating the **Insured's** conduct as respects the rendering of **Professional Services**, but only if such hearing or action is a direct result of a **Professional Incident**, and such **Professional Incident** took place during the **Policy Period**;
- (2) civil proceeding in which the **Insured** is not a defendant but has been ordered to offer deposition testimony regarding **Professional Services**; or
- (3) civil proceeding in which the **Insured** is not a defendant but has received a subpoena for document or record production.

S. "**Professional Incident**" means any actual or alleged negligent act, error, or omission, misstatement or misleading statement, solely in the performance of, or actual or alleged failure to perform, **Professional Services**.

All such acts, errors or omissions, as referenced in this definition, that are actually or allegedly caused, committed, or attempted by or claimed against one or more **Insureds** arising out of the same or relating to the same or series of related facts, circumstances, situations, transactions or events shall be deemed to be the same **Professional Incident**. A **Professional Incident** does not include a **Privacy Wrongful Act**.

- T. “**Professional Services**” means social services rendered by the **Insured**, or by any person or organization for whom the **Named Insured** is legally responsible.
- U. “**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.
- V. “**Regulator**” means any federal, state or local governmental authority, including but not limited to any regulatory body, licensing board, agency or other organization responsible for monitoring, overseeing or licensing the rendering of **Professional Services**.
- W. “**Sexual Misconduct**” means any type of actual, alleged, attempted, or proposed physical touching or caressing, or suggestion thereof by the **Insured** or any person for whom the **Insured** may be legally responsible, with or to any of the **Insured’s** past or present **Patients/Clients**, or with or to any relative or any person who regularly resides with any such **Patient/Client**, or with or to any person with whom such **Patient/Client** or relative has an affectionate personal relationship, which could be considered sexual in nature and/or inappropriate to any **Professional Services** being rendered.

All such acts, as referenced in this definition, that are actually or allegedly caused, committed, or attempted by or claimed against one or more **Insureds** arising out of the same or relating to the same or series of related facts, circumstances, situations, transactions or events shall be deemed to be the same act of **Sexual Misconduct**.

IV. EXCLUSIONS

- A. This Policy shall not cover any **Defense Expenses** or **Damages** in connection with any **Claim** or **Proceeding**:
 - (1) alleging, arising out of, based upon or attributable to an **Insured’s** dishonest, fraudulent, criminal, or malicious act, error, or omission, or that of any person for whose acts the **Insured** is legally responsible.

In determining the applicability of Exclusion A.(1), the facts pertaining to, the knowledge possessed by, or any **Professional Incident** or **Privacy Wrongful Act** committed by, any **Insured** shall not be imputed to any other **Insured**;
 - (2) alleging, arising out of, based upon or attributable to any actual or alleged discrimination, harassment, retaliation, wrongful discharge, termination or any other employment-related or employment practices claim, including but not limited to any wage-hour claim, or any claim of discrimination or harassment by any party who is not an employee of the **Insured**;
 - (3) for any act, error or omission of a managerial or administrative nature, which is not directly related to a **Patient/Client**;

- (4) alleging, arising out of, based upon or attributable to the **Insured's** ownership or operation of a hospital or other similar facility, or a laboratory;
- (5) brought by, or on behalf of, any **Insured**, or for injury or damage sustained by any spouse or person who regularly resides in the home of any **Insured**;
- (6) alleging, arising out of, based upon or attributable to **Property Damage**. This Exclusion shall not apply to the coverage provided under Section II.F. of this Policy;
- (7) alleging, arising out of, based upon or attributable to **Personal or Advertising Injury**; ;
- (8) alleging, arising out of, based upon or attributable to **Bodily Injury**, unless such **Bodily Injury** is to a **Patient/Client** of the **Named Insured**; or to a third party harmed by a **Patient/Client**, and takes place during or results from the performance of or failure to perform **Professional Services** by the **Insured**. This Exclusion shall not apply to the coverage provided under Section II.F. of this Policy;
- (9) alleging, arising out of, based upon or attributable to **Bodily Injury** arising out of the ownership, maintenance, use, operation or entrustment to others of any automobile, watercraft, helipad, heliport, aircraft, semi-trailer or motor vehicle, or the loading or unloading thereof;
- (10) alleging, arising out of, based upon or attributable to any obligation pursuant to any workers' compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law;
- (11) alleging, arising out of, based upon or attributable to plagiarism, infringement or violation of any copyright, patent, trademark or service mark, or the infringement or misappropriation of other intellectual property rights, ideas or trade secrets;
- (12) alleging, arising out of, based upon or attributable to any business relationship between the **Insured** and any past or present **Patient/Client**;
- (13) alleging, arising out of, based upon or attributable to any **Professional Incident** committed with the knowledge that it was a **Professional Incident**, or which, before the effective date of this Policy, the **Insured** was aware of and could reasonably have foreseen might result in a **Claim** or a **Proceeding**;
- (14) alleging, arising out of, based upon or attributable to any **Professional Service** that is not allowable since the **Insured's** professional license, certification or registration to provide services is suspended, revoked, terminated, surrendered or is not in effect;
- (15) alleging, arising out of, based upon or attributable to any **Professional Incident** committed while the **Insured** was under the influence of a drug or intoxicant;

- (16) caused directly or indirectly by war or any act of war, invasion, act of foreign enemy, hostilities (whether or not war is declared), strike, riot or civil commotion, civil war, rebellion, revolution, insurrection, military or usurped power or terrorism;
- (17) alleging, arising out of, based upon or attributable to the design, manufacture, distribution, promotion, or sale of any medication, device or equipment, or protocols;
- (18) alleging, arising out of, based upon or attributable to, or in any way related to fungi, including bacteria, mold or mildew, any mycotoxins, toxins, allergens, spores, scents, vapors, gases or by-products released by fungi, regardless of whether such fungi is:
 - (a) airborne;
 - (b) contained in a product; or
 - (c) contained in or a part of any building, structure, building material or any component of any part of any of the foregoing;
- (19) alleging, arising out of, based upon or attributable to 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**, whether or not any of the foregoing are to be performed by or on behalf of the **Insured**;
- (20) alleging, arising out of, based upon or attributable to any procedure, treatment, course of treatment, or diagnosis that is outside the scope of the **Insured's** specialty or training;
- (21) alleging, arising out of, based upon or attributable to medical, surgical, dental, x-ray or radiological services or treatment, including providing, furnishing or dispensing of drugs, medical, dental or surgical supplies or appliances, unless such treatment is provided under the written direction of a physician, physician assistant or nurse as permitted under applicable state law in the normal course of business as a social services agency;

This exclusion shall not apply to the **Named Insured's** employed psychiatrists, physician assistant or nurse practitioners if such individuals are included as **Insureds** and a premium is charged for them as indicated in Item 5 of the Declarations;

- (22) alleging, arising out of, based upon or attributable to **Professional Services** as a mediator, including but not limited to the provision of Divorce Mediation Services, whether or not for a fee;

Provided however, that this Exclusion shall not apply to the provision of Divorce Mediation Services, if:

- (a) prior to providing such services, a written statement to all parties is provided explaining that the **Insured** is a neutral and unbiased intermediary whom shall not act as an advocate for any one party;
- (b) The **Insured** in fact, acts exclusively as a neutral and unbiased intermediary between the parties; and

- (c) the **Insured**, in connection with such Divorce Mediation Services, advises all parties, in writing at the time any settlement or other such agreement is presented to the parties, to have such agreement reviewed independently by counsel of their choice prior to their execution of the agreement;
 - (23) alleging, arising out of, based upon or attributable to:
 - (a) any actual or alleged Medicare/Medicaid fraud or abuse or any other actual or alleged fraud against the government; or
 - (b) any improper or excessive billing for the cost of the **Insured's** goods or services or any other type of billing or fee dispute;
 - (24) alleging, arising out of, based upon or attributable to any breach of fiduciary duty, responsibility or obligation;
 - (25) alleging, arising out of, based upon or attributable to any goods or products other than real property, manufactured, sold, handled or disposed of by:
 - (a) the **Insured**;
 - (b) others trading under the **Insured's** name; or
 - (c) A person or organization whose business the **Insured** has acquired;
 - (26) alleging, arising out of, based upon or attributable to any thefts, burglary, robbery, mysterious disappearance, inventory shortage or inventory shrinkage. Further no coverage shall be provided under this Policy for any direct or consequential damage resulting from or contributed to by any of the foregoing.
- B. This Policy shall not cover any **Defense Expenses** or **Damages** in connection with any **Claim** or **Proceeding** or any notification costs from a **Privacy Wrongful Act** based upon, arising out of, directly or indirectly resulting from or in any way involving any of the following:
- (1) unsolicited electronic dissemination of faxes, emails, text messages or similar communications to any prospective or actual **Patient/ Client** or to any other third party, including but not limited to any violation of the Telephone Consumer Protection Act, any federal or state anti-spam statute, or any other federal or state statute, law or regulation relating to a person's or entity's right of seclusion;
 - (2) failure, interruption or reduction in supply of utility service or infrastructure, including, without limitation, electrical, gas, water, telephone, Internet, cable, satellite or telecommunications;
 - (3) any wireless network that is not protected by either Wi-Fi Protected Access ("WPA") or any other security protocol that provides equal or greater protection than WPA;
 - (4) the use of a laptop computer, portable computer or other portable electronic device that does not employ whole disc encryption;
 - (5) back-up tapes, optical media or any other form of portable back-up media which are not encrypted; or

- (6) expiration or withdrawal of technical support by a software vendor.

V. LIMITS OF LIABILITY

A. Maximum Limits of Liability - Insuring Agreements

- (1) The Limits of Liability for the Insuring Agreements as set forth in this Section V.A. are part of, and not in addition to, the Aggregate Limit of Liability shown in Item 4(b) of the Declarations.
- (2) As respects Insuring Agreement A., the amount set forth in Item 4(a) of the Declarations (“Per-Claim - Insuring Agreement A”) is the most the **Insurer** will be liable to pay for **Damages** for any **Claim** under this Insuring Agreement. **Defense Expenses** are not part of, and are in addition to, the amount shown in Item 4(a) of the Declarations.
- (3) As respects Insuring Agreement B., \$25,000 is the most the **Insurer** will be liable to pay for: (a) **Damages** and **Defense Expenses** for all **Claims** under this Insuring Agreement, regardless of the number of such **Claims**; and (b) all notification costs arising from a **Privacy Wrongful Act** under paragraph (2) of this Insuring Agreement, regardless of the number of such **Privacy Wrongful Acts**. Such **Defense Expenses** are part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 4(b) of the Declarations.

B. Aggregate Limit of Liability

The amount set forth in Item 4(b) of the Declarations (“Aggregate”) is the maximum total amount the **Insurer** will be liable to pay for:

- (1) **Damages** for all **Claims** under Insuring Agreement A.; and
- (2) **Damages** and **Defense Expenses** for all **Claims** and notification costs under Insuring Agreement B.;

regardless of the number of **Claims** under all Insuring Agreements, including **Claims** involving, or at any time involving, any allegation of **Sexual Misconduct**.

C. Maximum Limit of Liability - Sexual Misconduct

\$25,000 is the most the **Insurer** will be liable to pay for all **Claims** against the **Insured** involving any **Sexual Misconduct** by the **Insured** or by any person for whom the **Insured** 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. If the **Insurer** has paid this \$25,000 maximum, it will no longer have any duty to defend any **Claim** involving any **Sexual Misconduct**. This \$25,000 maximum is part of, and not in addition to, the Limits of Liability shown in Items 4(a) and 4(b) of the Declarations.

D. **Maximum Limit of Liability - Punitive Damages**

\$25,000 is the most the **Insurer** will be liable to pay for punitive or exemplary damages, or the multiple portion of any multiplied damages award arising from a **Claim**, regardless of the number of such **Claims**. The **Insurer** will be liable for such damages only to the extent such damages are insurable under the applicable law. This \$25,000 maximum is part of, and not in addition to, the Limits of Liability shown in Items 4(a) and 4(b) of the Declarations.

E. **Maximum Limits of Liability - Additional Coverages**

- (1) The Limits of Liability applicable to Section II., Additional Coverages, are in addition to, and not part of, the Limits of Liability applicable to Section I., Insuring Agreements.
- (2) As respects Additional Coverage D., the amount set forth in Item 4(c) of the Declarations (“Per Proceeding”) is the most the **Insurer** will be liable to pay for **Defense Expenses** incurred with respect to each **Proceeding**.
- (3) \$15,000 is the most the **Insurer** will reimburse the **Insured** for the costs and expenses for medical supplies under Additional Coverage E., including one (1) hour of the **Insured’s** lost earnings at \$100.00 per hour or the **Insured’s** average hourly rate charged for **Professional Services**, whichever is less.
- (4) \$25,000 is the most the **Insurer** will reimburse the **Insured** for medical expenses as a result of **Bodily Injury** or **Property Damage** caused by an **Assault** or **Battery** under Additional Coverage F.

F. **Effect of Paying Limits of Liability**

- (1) If the **Insurer** fully pays the Sexual Misconduct Limit of Liability set forth in paragraph C. of this Section V., it will have no duty to pay any additional amount(s) in connection with any **Claim** involving, or at any time involved, any allegation of **Sexual Misconduct**.
- (2) If the **Insurer** fully pays the Privacy Wrongful Act Limit of Liability set forth in paragraph A.(3) of this Section V., it will have no duty to pay any additional amount(s) in connection with any **Claim** involving, or any notification costs arising from, a **Privacy Wrongful Act**.
- (3) If the **Insurer** fully pays the Limit of Liability applicable to a particular **Claim** under Insuring Agreements A. or B., it will have no duty to pay any additional amount(s) under Additional Coverages A. or B. in the event such Additional Coverages would otherwise apply to such **Claim**.
- (4) If the **Insurer** fully pays the Aggregate Limit of Liability set forth in Item 4(b) of the Declarations, it will have no duty to: (i) pay any additional amount(s) in connection with any **Claim**, whether or not the Limit of Liability applicable to such **Claim** has been exhausted; (ii) defend any **Claim**; (iii) pay any additional amount(s) under Insuring Agreement B.(2); or (iv) pay any additional amount(s) under Section II. Additional Coverages.

G. **Non-Accumulation of Limits**

In the event a **Claim** arises from multiple **Professional Incidents** or **Privacy Wrongful Acts** that trigger coverage under multiple policies issued to the **Insured** by the **Insurer** or any affiliate thereof (the “**Insurer’s Policies**”), it is understood and agreed that only the policy that is in effect on the date of the first such **Professional Incident** or **Privacy Wrongful Act** shall apply to such **Claim**. The **Insurer’s** maximum liability for **Damages** arising from such **Claim** shall not exceed the Limit of Liability stated in the Declarations of such applicable policy. The **Insured** expressly understands and agrees that only one of the **Insurer’s** policies, and the Limits of Liability thereof, shall apply to such **Claim**.

VI. **NOTICE PROVISIONS**

- A. The **Insured** must give the **Insurer** or its authorized agent written notice of any:
- (1) **Claim** as soon as practicable after it is first made; or
 - (2) **Proceeding** as soon as practicable after it is first brought.
- B. The **Insured** must also, as soon as possible, record and notify the **Insurer** of the specifics of the **Claim** or **Proceeding** and the date the **Insured** first received notice of it.
- C. The **Insured** must provide the **Insurer** or its authorized agent with a copy of all demands or legal papers the **Insured** receives as respects a **Claim** or **Proceeding**.
- D. If the **Insured** becomes aware of a **Professional Incident** or **Privacy Wrongful Act** which took place during the **Policy Period** and which the **Insured** believes may give rise to a **Claim** for which coverage may be provided under this Policy, in order for any resulting **Claim** to be covered, the **Insured** must give the **Insurer** or its authorized agent written notice as soon as practicable of such **Professional Incident** or **Privacy Wrongful Act**. Such notice must state when and where the **Professional Incident** or **Privacy 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.
- E. Solely as respects “notification costs” coverage under Insuring Agreement B.(2), the **Insured** must give the **Insurer** or its authorized agent written notice of the **Privacy Wrongful Act** as soon as practicable and obtain the **Insurer’s** prior written approval before incurring notification costs as respects such **Privacy Wrongful Act**.

VII. **DEFENSE OF CLAIMS AND PROCEEDINGS, AND SETTLEMENT**

With respect to **Claims** under Insuring Agreement A., the **Insurer** has the right and duty to defend, at the **Insurer’s** expense and using counsel selected by the **Insurer**, any **Claim** against the **Insured** covered under such Insuring Agreements, even if the **Claim** is groundless, false or fraudulent. The **Insurer** also has the right to investigate any **Claim** and, with the **Insured’s** written consent, to settle any **Claim** if the **Insurer** believes that settlement is proper.

With respect to **Claims** under Insuring Agreement B., the **Insured** has the right and duty to defend, subject to the Limits of Liability and using counsel selected by the **Insured** and approved in advance by the **Insurer**, any **Claim** against the **Insured** covered under such Insuring Agreement, even if the **Claim** is groundless, false or fraudulent.

With respect to **Proceedings** under Additional Coverage II.D., the **Insurer** has the right and duty to defend, subject to the Limits of Liability and using counsel selected by the **Insurer**, any **Proceeding** against the **Insured** covered under such Additional Coverage.

The **Insureds** agree to give the **Insurer** full cooperation and provide such information as the **Insurer** may reasonably require relating to the defense of any **Claim** or **Proceeding**, the settlement of any **Claim** and the prosecution of any counterclaim, cross-claim or third-party claim, including without limitation the assertion of any indemnification or contribution rights.

The **Insured** shall not admit or assume any liability, incur any **Defense Expenses**, offer to settle any matter, enter into any settlement agreement or stipulate to any judgment without the **Insurer's** prior written consent, such consent not to be unreasonably withheld. Any amounts incurred by the **Insured** or any settlements or judgments agreed to by the **Insured** without such consent shall not be covered by this Policy.

VIII. OTHER INSURANCE

The insurance provided by this Policy shall apply only as excess over any other valid and collectible insurance, self-insurance plan or self-funded vehicle whether such other insurance, plan or vehicle is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance, plan or vehicle is written specifically as excess insurance over the applicable Limits of Liability provided by this Policy. Except as respects the coverage provided under Insuring Agreement B., this Policy shall specifically be excess of any other valid and collectible insurance pursuant to which any other insurer has a duty to defend a **Claim** for which this Policy may be obligated to pay **Damages** or **Defense Expenses**. This Policy shall not be subject to the terms and conditions of any other insurance policy.

Two or more policies of Social Service Agency Professional Liability Insurance may have been issued by the **Insurer** or an affiliate thereof to persons or organizations other than the **Insured**. These policies may also provide coverage for a **Claim** or **Proceeding** involving the same or continuous, repeated, or related **Professional Incidents** or **Privacy Wrongful Acts** for which the **Insured** 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 set forth in the Declarations and Section V., the **Insurer** shall not be liable under this Policy for a greater proportion of the total loss from that **Claim** or **Proceeding** than this Policy's applicable Limits of Liability bears to the total applicable Limits of Liability under all such policies. In addition, the total amount payable under the applicable Limits of Liability under all such policies in connection with that **Claim** or **Proceeding** will not exceed the highest single per **Claim** or **Proceeding** Limit of Liability under any of such policies.

IX. REPRESENTATIONS

By accepting this Policy, the **Insured** agrees that the particulars and statements in the application submitted in connection with the underwriting of this Policy are true and that they are the **Insured's** agreements and representations.

The **Insured** acknowledges 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.

X. CANCELLATION AND NON-RENEWAL

The **Named Insured** may cancel this Policy by surrendering it to the **Insurer** or to any of its authorized agents, or by mailing the **Insurer** written notice stating when thereafter the cancellation will be effective. The **Insurer** may cancel this Policy by mailing to the **Named Insured** at the address shown in Item 1 of the Declarations written notice stating when, not less than sixty (60) days thereafter, such cancellation will be effective. However, if the **Named Insured** has not paid a premium when due, the **Insurer** may cancel this Policy by mailing to the **Named Insured** at the address shown in Item 1 of the Declarations written notice stating when, not less than fifteen (15) days thereafter, such cancellation will be effective.

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.

If the **Named Insured** cancels this Policy, the unearned premium will be computed in accordance with the customary short rate table and procedure. If the **Insurer** cancels, 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.

The **Insurer** will not be required to renew this Policy upon its expiration. The **Insurer** will provide the **Named Insured** with thirty (30) days notice of any non-renewal.

If applicable insurance department regulations require different times, content or procedures with respect to cancellation or non-renewal, this Policy will be cancelled or non-renewed in accordance with such regulations as in effect at the time of such cancellation.

XI. AUTHORIZATION AND NOTICES

The **Insureds** agree that the **Named Insured** named in Item 1 of the Declarations shall act on behalf of all **Insureds** with respect to all matters pertaining to this Policy including: (1) giving notice of any **Claim** or circumstance which may result in a **Claim**; (2) giving notice and information regarding any Additional Coverages under Section II.; (3) giving and receiving of all correspondence and information; (4) giving and receiving notice of cancellation; (5) consenting, or withholding consent, to the settlement of a **Claim** recommended by the **Insurer**; (6) payment of premiums; (7) receiving of any return premiums; and (8) receiving and accepting of any endorsements issued to form a part of this Policy.

XII. TERRITORY

This Policy applies to **Professional Incidents** or **Privacy Wrongful Acts** taking place anywhere in the world, to the extent permitted by law. However, any **Claim** or **Proceeding** arising from such **Professional Incidents** or **Privacy Wrongful Acts** must be made and brought in the United States of America, its territories and possessions, Puerto Rico or Canada.

The **Insurer** shall not be deemed to provide coverage nor be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction, including under United Nations resolutions, or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

XIII. ASSIGNMENT AND CHANGES TO THE POLICY

This Policy and any and all rights hereunder are not assignable without the prior written consent of the **Insurer**.

If an **Insured** dies or is declared legally incompetent, such **Insured's** rights and duties will be transferred to such **Insured's** legal representative while acting within the scope of his or her duties as such. This Policy contains all the agreements between the **Insured** and the **Insurer** or its authorized agents concerning this insurance.

Notice to any agent or knowledge possessed by any agent or person acting on the **Insurer's** behalf, will not result in a waiver or change in any part of this Policy or prevent the **Insurer** from asserting any right under the terms and conditions of this Policy. The terms and conditions of this Policy may only be waived or changed by written endorsement signed by the **Insurer**.

XIV. BANKRUPTCY

The bankruptcy or insolvency of the **Insured** or the **Insured's** estate does not relieve the **Insurer** of its obligations under the Policy.

XV. SUBROGATION

In addition to any right of subrogation existing at law, in equity or otherwise, in the event of any payment by the **Insurer** under this Policy, the **Insurer** shall be subrogated to the extent of such payment to all of the **Insured(s)**' rights of recovery. The **Insured(s)** shall execute all papers required (including those documents necessary for the **Insurer** to bring suit or other form of proceeding in their name) and do everything that may be necessary to pursue and secure such rights. The **Insurer** shall not exercise its subrogation rights against any natural person **Insured**, unless Exclusion A.(1) above applies to such **Insured**.

XVI. ACQUISITIONS

If, during the **Policy Period** the **Named Insured** acquires or creates a "Subsidiary," then for a period of ninety (90) days after the effective date of such event, the coverage granted by this Policy shall extend to any **Claims** arising out of covered acts, errors, omissions that take place after the effective date of such event and arise out of or relate to the Subsidiary acquired or formed. After the expiration of such ninety (90) day period, there shall be no coverage under this Policy for such **Claims** unless: (a) within such ninety (90) day period, the **Insurer** receives from the **Insured** such information regarding details of the transaction as the **Insurer** requests and; (b) the **Insurer** specifically agrees by written endorsement to this Policy to provide such coverage upon such terms, conditions and limitations, including payment of additional premium, as the **Insurer**, at its sole discretion, may require.

For purposes of this Section, a "Subsidiary" means any entity during any time in which the **Named Insured** owns or controls, directly or indirectly, more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of such entity's directors or members of the board of managers, or an interest representing more than fifty percent (50%) of the entity's profits or losses.

This Policy shall not provide coverage for any organization for any act, error or omission that happened or commenced before the **Named Insured** acquired it or formed it, or for which other insurance is available.

XVII. ACTION AGAINST INSURER

No action may be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all material terms of this Policy and the amount of the **Insured's** obligation has been fully determined either by judgment against the **Insured** after actual trial, or by written agreement of the **Insured**, the claimant and the **Insurer**.

XVIII. HEADINGS

The descriptions in the headings and any subheading of this Policy, including any titles given to any endorsement attached hereto, are inserted solely for convenience and do not constitute any part of this Policy's terms or conditions.