

**PHYSICIANS PROFESSIONAL INDEMNITY ASSOCIATION
3218 EMERALD LANE, SUITE B
JEFFERSON CITY, MISSOURI 65109
(573) 634-7742, FAX (573) 634-7701
PHYSICIANS AND SURGEONS
PROFESSIONAL LIABILITY INSURANCE POLICY**

CLAIMS-MADE, ASSESSABLE

NOTICE: THIS IS A "CLAIMS-MADE" POLICY! To be covered, the occurrence giving rise to the claim must have taken place after the effective or retroactive date of your policy and this claim must be first made against you during the policy period. Covered claims are subject to the limits stated in the Declarations and other terms, conditions, and exclusions of your policy. Your policy is issued in consideration of the premium paid to Physicians Professional Indemnity Association.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to Physicians Professional Indemnity Association.

The word "insured" means any person or organization qualifying as such under Section VI - Who is an insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section X - Definitions.

SECTION I - COVERAGE AGREEMENTS

We agree to pay all sums which you become legally obligated to pay as damages for:

1. COVERAGE A - INDIVIDUAL PROFESSIONAL LIABILITY;

- A. medical services you provided or which you should have provided;
- B. medical services provided or which should have been provided by anyone for whom the insured is legally responsible, except any liability growing out of services provided or which should have been provided by any physician, surgeon, anesthetist, podiatrist, dentist, midwife, nurse practitioner or other practitioner of the healing arts employed by you;
- C. your service as a member of a formal review board or any similar board or committee.

2. COVERAGE B - PARTNERSHIP, ASSOCIATION OR CORPORATION PROFESSIONAL LIABILITY; NON-STACKED COVERAGE:

Injury to which this insurance applies caused by a medical occurrence subsequent to the effective date or retroactive date, for which claim is first made against the Insured and reported to the Company during the policy period, arising from the acts of any person for whose acts or omissions the professional partnership, association or corporate Insured is legally responsible, only if such person is not an Insured under Coverage A with respect to the same acts or omissions from which such medical occurrence arises.

3. COVERAGE C - PARTNERSHIP, ASSOCIATION OR CORPORATION PROFESSIONAL LIABILITY STACKED COVERAGE:

Injury to which this insurance applies caused by a medical occurrence subsequent to the effective date or retroactive date, for which claim is first made against the Insured and reported to the Company during the policy period, arising from the acts of any person for whose acts or omissions the professional partnership, association or corporate Insured is legally responsible, only if such person is an Insured under Coverage A with respect to the same acts or omissions from which the medical occurrence arises.

4. DECLARATIONS - SEE SCHEDULE OF DECLARATIONS

SECTION II - EXCLUSIONS

This insurance does not apply to:

- A. any liability covered under a worker's compensation, auto, fire or general liability policy;
- B. under Coverage A - Individual Professional Liability - any liability arising out of services provided or which should have been provided by any physician, surgeon, anesthetist, podiatrist, dentist, midwife, nurse practitioner or any other practitioner of the healing arts employed by you;
- C. under Coverage A - Individual Professional Liability - any direct or vicarious liability of any corporation, association of which you are a member, director, shareholder, or in which you have a financial interest;
- D. any punitive or other damages above actual compensatory damages assessed against you;
- E. any liability arising from the operation of any hospital, sanitarium, clinic with bed and board facilities or any business enterprise;
- F. any liability arising from use of therapeutic x-ray equipment, psychiatric shock treatment or implantation or injection of silicone for cosmetic purposes unless said use is specifically 'declared in your policy';
- G. any bodily injury to any employee of the Insured arising out of and in the course of that person's employment by the Insured;
- H. any liability arising from criminal act or intentional tort;
- I. liability assumed by the Insured under any contract or agreement;
- J. any claim made against the Insured for injury out of conduct or circumstances occurring or alleged to have occurred prior to the retroactive date;
- K. any claim for which the Insured is entitled to indemnity under any policy or policies in force previous hereto.

SECTION III - DEFENSE

We will defend any lawsuit brought against you for damages covered by this policy even if the lawsuit is groundless or fraudulent. This defense will be maintained until there is judgment in your favor or until all reasonable legal remedies have been exhausted. We will not defend a lawsuit or pay any claim after the applicable coverage limit has been exhausted by our paying judgments or settlements.

SECTION IV - CONSENT TO SETTLE

It is understood and agreed that Physicians Professional Indemnity Association shall have the right to settle any claim or lawsuit against the Named Insured provided that no such settlement will be made without the written consent of the Named Insured, unless the Named Insured unreasonably withholds consent to settlement or the settlement is made after a jury verdict or Court Judgment has been entered against the Named Insured. We are not obligated to settle a claim when reasonable investigation indicates your conformance with the standard of reasonable care.

SECTION V - SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim or "lawsuit" we defend:

- A. all expenses we incur;
- B. all costs taxed against the Insured in any suit defended by us;
- C. all interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in the court that part of the judgment that is within the applicable limit of insurance;
- D. premiums on bonds to release attachments but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds;
- E. premiums on appeal bonds but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

SECTION VI - WHO IS AN INSURED

Each of the following is an Insured under this insurance to the extent set forth below:

- 1. Under Coverage A - Individual Professional Liability** - each individual named in the declarations as insured;
- 2. Under Coverage B - Partnership, Association or Corporation Professional Liability: Non Stacked Coverage** - the partnership, association or corporation described in the declarations and any member, partner, officer, director or stockholder thereof, with respect to acts or omissions of others, provided that no such member, partner, officer, director or stockholder of the partnership, association, or corporation shall be an insured under Coverage A for the same medical occurrence with respect to acts or omissions in the furnishing of professional services by the Insured or any person acting under the Insured's personal direction, control or supervision.
- 3. Under Coverage C - Partnership, Association or Corporation Professional Liability: Stacked Coverage** - the partnership, association or corporation described in the declarations and any member, partner, officer, director or stockholder thereof, with respect to acts or omissions of others, only if a member, partner, officer, director or stockholder of partnership, association or corporation is an insured under Coverage A for the same medical occurrence with respect to acts or omissions in the furnishing of professional services by the Insured or any person acting under the Insured's personal direction, control or supervision

SECTION VII - LIMITS OF INSURANCE

1. COVERAGE A - INDIVIDUAL PROFESSIONAL LIABILITY, AND COVERAGE C PARTNERSHIP, ASSOCIATION OR CORPORATION PROFESSIONAL LIABILITY

Our total liability for amounts paid by us for all damages because of injury arising out of any one medical occurrence to which this insurance applies, including all complaints arising during a course of treatment, will not exceed the amount shown in the declarations as "Each Medical Occurrence."

Our total liability for amounts paid by us during any one policy year will not exceed the amount shown as "Annual Aggregate."

No representation is made as to the adequacy of the limits you select. If you change limits during the policy term, covered claims will be subject to the limits in effect at the occurrence date. Any additional coverage shall be subject to approval of the Company and may require additional underwriting reviews and additional premiums.

2. COVERAGE B - PARTNERSHIP, ASSOCIATION OR CORPORATION PROFESSIONAL LIABILITY (Non-Stacked)

Regardless of the number of policies issued to Insured's of Physicians Professional Indemnity Association or the number of claims made or lawsuits brought, our liability is limited as follows:

Our total liability for amounts paid by us for all damages because of injury arising out of any one medical occurrence to which this insurance applies, including all complaints arising during a course of treatment, will not exceed the amount shown in the declarations as "Each Medical Occurrence" and the amount shown in the declaration is shared coverage with the individuals or entities having COVERAGE A or COVERAGE C and is non-stacking.

Our total liability for amounts paid by us during any one policy year will not exceed the amount shown as "Annual Aggregate."

No representation is made as to the adequacy of the limits you select. If you change limits during the policy term, covered claims will be subject to the limits in effect at the occurrence date. Any additional coverage shall be subject to approval of the Company and may require additional underwriting reviews and additional premiums.

SECTION VIII - POLICY TERRITORY

This policy applies to covered damages for injury caused by a medical incident which takes place within the United States of America, its territories or possessions or Canada.

SECTION IX - CONDITIONS

1. DUTIES IN THE EVENT OF INCIDENT, CLAIM OR LAWSUIT:

A. **INCIDENT:** If you become aware other than in writing of any specific circumstances involving a particular person which **MAY** result in a claim, you must give us written notice of the following;

- 1) Date,
- 2) Time,
- 3) Place,
- 4) Circumstances of the injury,
- 5) Name and address of the injured, and
- 6) Names and addresses of any witnesses.

We will treat this as an incident and not a claim, and we will not, at such time, report the incident as a claim with regulatory agencies. Any such report of an incident by you will be treated confidentially.

B. **CLAIM or LAWSUIT:** If a claim is made against you, or a lawsuit is filed against you, you must immediately notify us in writing of the same and forward to us a copy of all papers which you receive relating to the claim or lawsuit.

2. **WHEN CLAIM OR LAWSUIT IS CONSIDERED AS FIRST MADE:** A claim will be considered as being first made when you first report a claim or lawsuit arising from an occurrence or injury to us in writing.

3. **UNAUTHORIZED AGREEMENT OR EXPENSES:** We will not be bound by any agreement you make or expense you incur without our prior written consent. You agree to fully cooperate with us, including attendance in trial or trial preparation, on any covered claim at your own expense.

4. **OTHER INSURANCE:** If you have other insurance on a claim covered by this policy, this policy shall be secondary to the other coverage available and we will pay only that pro-rata portion of the damages which the limits of your coverage under this policy bear to the total applicable limits. However, we will not pay more than the limits of your coverage under the policy.

5. **CANCELLATION OF POLICY:** You may cancel this policy by returning it to us or to any of our authorized agents or by writing us and specifying when thereafter to effect the cancellation. If we cancel or non-renew the policy, unless due to your failure to pay premium or your loss of license, we will give you mailed written notice ninety (90) days before the effective date of cancellation or non-renewal. We may not cancel the policy after it is in effect for ninety (90) days except for non-payment of premium or loss of license. If you cancel the policy, premium return will be based on a short-rate table. If we cancel the policy, premium return will be computed pro-rata. Your failure to pay any premium within **FIFTEEN DAYS** of its **DUPLICATE DATE** WILL RESULT IN **AUTOMATIC CANCELLATION OF YOUR POLICY**.

We will provide you written notice of cancellation within ten days of your request to cancel. If you elect to re-apply for coverage, we may, but are not obligated to reinstate your policy. Claims arising from medical occurrences that occur when the policy is lapsed will not be covered.

6. **ASSESSMENTS:** All assessments for your policy are computed in accordance with our rules, rates and assessments and such assessments shall be determined from time to time by our bylaws and the board of directors.
7. **PREMIUMS INCREASES:** If premiums increase, we will give you at least thirty (30) days written notice specifying the amount of the increase. Premiums may be increased only at the time your policy is renewed.
8. **EXTENDED REPORTING PERIOD ENDORSEMENT:** In case the policy is cancelled (with the exception of cancellation for non-payment of premium, or unethical practices, or loss cancellations, or restrictions on medical license) or non-renewed by either you or us, you may purchase a reporting endorsement for a period of coverage, to be specified by us, from the date your policy expires provided you request this in writing within thirty (30) days of the date coverage expired and provided that the reason for termination is neither nonpayment of premium or license loss. This endorsement, if purchased, will cover claims provided that:
 - A. The claim was first made after the termination date of this policy but prior to the date the reporting period ends, and
 - B. The occurrence giving rise to the claim occurred after the retroactive date and prior to the termination date of this policy.
 - C. Premium for this endorsement and effective period will be specified by us but will be waived if you: (1) die; (2) become permanently and totally disabled (independent physician certification, more than six (6) months of continuous and complete inability to perform former occupation); or (3) retire and no longer practice medicine at or after age 55 and, under circumstances (1), (2) or (3) of this paragraph 8C, have been insured with us for three or more years. The above provisions do not affect or change the accessibility of your policy.
9. **EXTENDED REPORTING FOR PHYSICIAN LEAVING AN ONGOING PRACTICE OR CLINIC:** Premium for this endorsement and effective period will be specified by us but will be waived for the period of time in which your policy remains in effect, for individuals previously insured by Physicians Professional Indemnity Association and subsequently leaving the named Insured's Clinic/Corporation, provided the named Insured's regular annual premium equals or exceeds Two Hundred Fifty Thousand Dollars (\$250,000) per year. Said waiver and extended reporting coverage shall terminate upon the termination of your policy or your annual regular premium fails to equal or exceed the amount set forth above.
10. **SUBROGATION:** If we make a payment under this policy, we will be subrogated to any rights of recovery for making the payment, and you will assist us as necessary to secure and not prejudice these rights.
11. **BYLAWS:** Our bylaws are incorporated in your policy and by acceptance of this policy, you acknowledge receipt of a copy of the bylaws which are made a part of your policy.
12. **ACTION AGAINST COMPANY:** No action shall lie against us unless prior to said action, there has been a full compliance with the terms of the policy. No one shall have the right under the policy to join us as a party to any action against you to determine your liability nor shall we be impeded by you or your legal representative.
13. **BANKRUPTCY:** Bankruptcy or insolvency of you or your estate shall not relieve us of our obligation hereunder, provided your premiums remain paid to us on a current basis.
14. **DECLARATIONS:** The policy and application embody all agreements and representations between you and us or our agents and this policy is issued to you in reliance upon the truth of said representations. You will notify us of any changes in the nature of exposure, including practice location of procedures performed, within 15 days, after effect of this agreement. The change in location or nature of your

practice during a policy year may result in the need for a new policy or an adjustment to your premiums during such policy year, and we have the right to determine whether any new policy or coverage shall be issued.

15. ENDORSEMENTS, WAIVERS AND AMENDMENTS: Endorsements, waivers and amendments attached are a part of the policy and considered as fully incorporated herein.
16. ARTICLES OF ASSOCIATION: The following excerpt from the Articles of Association is hereby incorporated and made a part of this insurance policy:

UPON BECOMING A MEMBER OF THE ASSOCIATION, EACH MEMBER THEREBY EXPRESSLY WAIVES THE RIGHT TO ASSERT ANY CAUSE OF ACTION AGAINST THE ASSOCIATION, ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, INCLUDING BUT NOT LIMITED TO THE BOARD OF DIRECTORS AND/OR THE SCREENING COMMITTEE, AND ANY SUCH OTHER PERSONS, WHICH MAY ARISE FROM THE CANCELLATION OF SUCH MEMBER'S MEMBERSHIP IN THE ASSOCIATION, OR THE TERMINATION OF BOTH THE COVERAGE AND MEMBERSHIP, INCLUDING BUT NOT LIMITED TO ANY CAUSE OF ACTION FOR DEFAMATION, INVASION OF PRIVACY, OR OTHER TORTIOUS ACT ARISING OUT OF INVESTIGATION, HEARINGS, OR DETERMINATIONS OF THE BOARD OF DIRECTORS, THE SCREENING COMMITTEE, OR ANY INDIVIDUAL DIRECTOR, OFFICER, OR AGENT OF THE ASSOCIATION, AND EACH SUCH MEMBER HEREBY RELEASES AND HOLDS HARMLESS THE FOREGOING PERSONS FROM ANY AND ALL SUCH CAUSES OF ACTION.

17. WAIVER: SO LONG AS WE ACT IN GOOD FAITH TAKING INTO ACCOUNT OUR CONFORMANCE WITH A REASONABLE STANDARD OF CARE, YOU WAIVE THE RIGHT TO SUE US FOR VEXATIOUS REFUSAL TO PAY OR A SIMILAR COURSE OF ACTION FOR OUR NEGOTIATING A SETTLEMENT OF ANY CLAIM OR LAWSUIT BROUGHT AGAINST YOU TO WHICH THIS POLICY APPLIES.

SECTION X - DEFINITIONS

When used in this policy (including endorsements forming a part hereof).

1. "**Bodily Injury**" means bodily injury, death, sickness or disease sustained by any person.
2. "**Insured**" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each Insured against whom claim is made or lawsuit is brought, subject to the limits of our liability.
3. "**Named Insured**" means the person or organization in Item I of the declarations of this policy.
4. "**Professional Services**" means rendering of or failure to render any professional service incident to the practice of the Insured's profession for which he holds a valid and duly registered current license and shall be deemed to include the dispensing of drugs or medicine and the service by the insured as a member of a formal accreditation or similar board or committee of a hospital or professional society.
5. "**Medical Occurrence**" means any act or omission:
 - A. Under Coverage A - Individual Professional Liability:**
 - (1) in the furnishing of professional medical services by the Insured, or which should have been provided by anyone for whom the Insured is legally responsible.
 - (2) in the service by the Insured as a member of a formal accreditation, standards review or similar professional board or committee.
 - B. Under Coverage B or C - Partnership, Association or Corporation Professional Liability:**

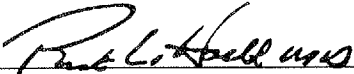
In the furnishing of professional medical services by:

 - (1) any member, partner, officer, director, stockholder or employee of the Insured, or
 - (2) any person acting under the personal direction, control, or supervision of the Insured.

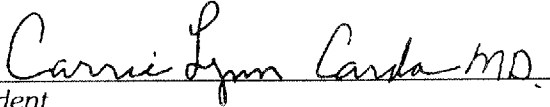
Any such act or omission together with all related acts or omissions in the furnishing of such services to any one person shall be considered one medical incident or occurrence.

6. **"Claim"** means a written demand for money, services or property made upon you.
7. **"Incident"** means any circumstance that involves a particular person which MAY result in a claim.
8. **"Lawsuit"** includes an arbitration proceeding or court proceeding to which the Insured is required to submit or to which the Insured has submitted with the company's consent.

In witness whereof, we have caused this policy to be executed and attested, and if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Secretary



President