



VIG TOWER • Suite 1401 • 1225 Ave. Ponce de León • Santurce, PR 00907-3921

HOSPITAL PROFESSIONAL LIABILITY INSURANCE (CLAIMS MADE)

NOTICE

THIS IS KNOWN AS A "CLAIMS MADE" POLICY. EXCEPT TO THE EXTENT AS MAY BE PROVIDED HEREIN, THIS COVERAGE IS LIMITED GENERALLY TO CLAIMS ARISING FROM THE PERFORMANCE OF PROFESSIONAL SERVICES SUBSEQUENT TO THE **RETROACTIVE DATE** STATED IN THE DECLARATIONS AND FIRST MADE AGAINST THE **COMPANY** WHILE THE POLICY IS IN FORCE. PLEASE READ THE POLICY CAREFULLY.

I. COVERAGE - HOSPITAL PROFESSIONAL LIABILITY

The **Company** will pay on behalf of the **Insured** all sums which the **Insured** shall be legally obligated to pay as damages because of injury to which this insurance applies caused by a **Medical Incident**, occurring subsequent to the **Retroactive Date**, for which claim is first made against the **Insured** and reported the **Company** during the policy period.

The **Company** shall have the right and duty to defend any **Suit** against the **Insured** seeking damages because of such injury even if any of the allegations of the **Suit** are groundless, false or fraudulent. The **Company** may make such investigation and settlement of any claim or **Suit** as it deems expedient. The **Company** shall not be obligated to pay any claim or judgment or to defend any **Suit** after the applicable limit of the **Company's** liability has been exhausted by payment of judgment or settlements.

EXCLUSIONS

This insurance does not apply:

- (a) to bodily injury to any employee of the **Insured** arising out of and in the course of that person's employment by the **Insured**;
- (b) to any obligation for which the **Insured** or any carrier acting as insurer may be held liable under any workers' compensation, unemployment compensation, or disability benefits law or under any similar law;
- (c) to liability of an **Insured**, if an individual, for such **Insured's** personal acts or omissions involving a **Medical Incident**;



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- (d) to injury arising out of the ownership, maintenance, operation, use, loading or unloading of any motor vehicle, trailer, watercraft or aircraft.
- (e) to bodily injury, property damage, personal injury or advertising injury which arises of the transmission of communicable disease.
- (f) any claim alleging any act of sexual abuse by the **Insured**, or by any other person for whose act the **Insured** is legally responsible, connected to the performance or professional services.
- (g) any act of war including undeclared or civil war, action by a military force, action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- (h) any act of terrorism including any action taken in hindering or defendant against an actual or expected incident, the use, release, or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination.
- (i) to bodily injury resulting from the hazardous properties of nuclear material, if: the nuclear material is at any nuclear facility owned by, or operated by or on behalf of the **Insured**, or has been discharged or dispersed therefrom; the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of the **Insured**; the bodily injury arises out of the furnishing by the **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility.

II. WHEN CLAIM IS TO BE CONSIDERED AS FIRST MADE

A claim for injury shall be considered as being first made at the earlier of the following times:

- (a) when the **Insured** first gives written notice to the **Company** that a claim has been made, or
- (b) when the **Insured**, first gives written notice to the **Company** of specific circumstances involving a particular person which may result in a claim. Reports of incidents made by the **Insured** to the **Company** as part of engineering or loss control services shall not be considered notice of claim.

All claims arising out of the same **Medical Incident** shall be considered as having been made at the time the first claim is made.



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III. PERSONS INSURED

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

- (a) the **Named Insured**;
- (b) if the **Named Insured** is designated in the declarations as a partnership, any partner thereof, but only with respect to that partner's liability as such;
- (c) if the **Named Insured** is designated in the declarations as other than an individual or partnership, any executive officer, hospital administrator, stockholder or member of the board of directors, trustees or governors of the **Named Insured** while acting within the scope of that person's duties as such.

IV. LIMITS OF LIABILITY

Regardless of the number of **Insureds** under this insurance or of the number of claims made or **Suits** brought, the **Company's** liability is limited as follows:

The total liability of the **Company** for all damages because of all injury to which this insurance applies shall not exceed the limits of liability stated in the declarations as "aggregate".

Subject to the above provisions with respect to "aggregate", the total liability of the **Company** for all damages because of all injury arising out of any one **Medical Incident** shall not exceed the limit of liability stated in the declarations as applicable to "each **Medical Incident**".

V. POLICY TERRITORY

RESTRICTION OF POLICY TERRITORY

This insurance applies to damages for injury caused by a **Medical Incident** only within the Commonwealth of Puerto Rico.

VI. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsement forming a part of a policy):

"**Extended Reporting Period**" means the time after the end of the policy period for reporting claims arising out of a **Medical Incident** occurring subsequent to the **Retroactive Date** and prior to the end of the policy period and otherwise covered by this insurance.



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"**Medical Incident**" means any act or omission:

- (a) in the furnishing of professional health care services including the furnishing of food, beverages, medications or appliances in connection with such services and the postmortem handling of human bodies, or
- (b) arising out of service by any persons as members of a formal accreditation, standards review or similar professional board or committee of the **Named Insured** or as a person charged with executing the directives of such board or committee.

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**.

"**Suit**" includes an arbitration proceeding to which the **Insured** is required to submit or to which the **Insured** has submitted with the **Company's** consent.

"**Retroactive Date**" means, if not otherwise stated, the same date as of the inception date of the first of a series of continued renewed claims made policies.

VII. AMENDED CONDITION

With reference to this insurance, Condition 4—**INSURED'S DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT** is replaced by the following:

ASSISTANCE AND COOPERATION OF INSURED

The **Insured** shall give written notice to the **Company** as soon as practicable of any claim made against the **Insured** or of any specific circumstances involving a particular person likely to result in a claim. The notice shall identify the **Insured** and contain reasonably obtainable information with respect to the time, place and circumstances of the injury including the names and addresses of the injured and of available witnesses and the extent of the type of claim anticipated. If a claim is made or **Suit** is brought against the **Insured**, the **Insured**, shall immediately forward to the **Company** every demand, notice, summons or other process received by the **Insured** or the **Insured's** representatives.

The **Insured** and each of its employees shall cooperate with the **Company** and, upon the **Company's** request, assist in making settlements, in the conduct of **Suits** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** because of injury or damages with respect to which insurance is afforded under this policy; and the **Insured**, and any of its members, partners, officers, directors, stockholders and employees that the **Company** deems necessary shall attend hearings and trials assist in securing



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and giving evidence and obtaining the attendance of witnesses. The **Insured** shall not, except at the **Insured's** own cost, voluntarily make any payment, assume any obligation or incur any expense.

VIII. ADDITIONAL CONDITIONS

A. EXTENDED REPORTING PERIOD OPTION

Upon termination of this insurance for any reason other than (1) cancellation for nonpayment of premium, or (2) expiration and renewal, the **Named Insured** shall have the right by giving written notice to the **Company** within thirty (30) days of such termination, and by paying to the **Company** promptly when due, such premiums as may be required by the **Company's** rules, rates and rating plans then in effect, to have issued an endorsement or endorsements providing an **Extended Reporting Period**. The limit of liability stated in the declarations of this insurance at the time this insurance is terminated shall be the limits applicable to each **Extended Reporting Period**.

To determine the additional premium applicable to the **Extended Reporting Period** endorsement or endorsements, the **Company** may take into account (1) the exposures **Insured**, (2) previous types and amounts of insurance, (3) limits of insurance available under this insurance for future payments of damages; and (4) other related factors.

The total additional premium will not exceed 200% of the annual premium for this insurance.

The endorsement or endorsements shall set forth the terms, not inconsistent with this Section, applicable to the **Extended Reporting Period**.

Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims for injury caused by a **Medical Incident** that occurs before the end of the policy period (but not before the Retroactive Date, if any, shown in the Declarations).

Claims for such injury which are first received and recorded during the **Extended Reporting Period** will be deemed to have been made on the last day of the policy period.

Once in effect, Extended Reporting Periods may not be cancelled.