



**PUERTO RICO MEDICAL DEFENSE INSURANCE COMPANY  
PROFESSIONAL LIABILITY POLICY  
CLINICAL LABORATORIES AND/OR X-RAY/IMAGING CENTERS**



The Corporate Center Building • Suite 702 • Calle Resolucion #33 • San Juan, PR 00920-2717

**Medical or X-Ray Laboratories Professional Liability Insurance Policy**

(Claims Made)

This Declarations Page is attached to and forms part of the insurance policy.

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**DECLARATIONS**

**1. (a) Insured's Name:** CARLOS J. FEBLES MENA DBA LABORATORIO CLINICO  
BORINQUEN

**(b) Insured's Address:** URB. DORADO DEL MAR  
ESTRELLA DEL MAR M-10  
DORADO, PR 00646

**(c) Authorized Representative or Producer:** RESOLVE GENERAL AGENCY -  
ISABEL LOPEZ VELEZ

**2. POLICY NUMBER:** CLP-20001

**3. POLICY PERIOD:**

From: 5/10/2015 To: 5/10/2016

(both days at 12:01 A.M. Local Standard Time at the Insured's Address shown in Item 1(b) of the declarations.)

**4. RETROACTIVE DATE:** 05/10/2006

**5. PREMIUM COMPUTATION:**

The unit of exposure to which the rates are applied is each \$1,000 of receipts.

**Rate:** 4.21

**Annual Receipts:** \$307,214.00

**6.** The insurance afforded is only with respect to the following coverages as are indicated by specific premium charge or charge, subject to the limits of liability stated herein and to all the term of this policy relating thereto.



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### **SCHEDULE\***

Coverages	Limits of Liability	Advance Premium
A - Professional Liability Policy	\$ <u>Not Covered</u> each medical incident \$ <u>Not Covered</u> aggregate	\$ Not Covered
B - Hospital or X-Ray Liability	\$ <u>Not Covered</u> each medical incident \$ <u>Not Covered</u> aggregate	\$ Not Covered
C - Medical or X-Ray Laboratories	\$100,000 each medical incident	\$1,293.00
	\$300,000 aggregate	
Policy Total	\$100,000 each medical incident	\$1,293.00
	\$300,000 aggregate	

### **Form and endorsements forming part of this policy at time of issue:**

PL - 001 (10/2014)	Professional Liability Policy
HPL - 002 (10/2014)	Hospital Professional Liability Insurance
LPL - 003 (10/2014)	Medical or X-Ray Laboratories
LPL - 003.1 (10/2014)	Declarations
LPL - 003.2 (10/2014)	Mandatory Premium and Coverage Conditions
LPL - 003.3 (10/2014)	Endorsement Puerto Rico
LPL - 003.4 (10/2014)	Continuous Renewal Endorsement
	Statement of Representation and Acceptance

### **Designation of Premises:**

URB. DORADO DEL MAR  
ESTRELLA DEL MAR M-10  
DORADO, PR 00646

Countersigned on 8/25/2015, at San Juan, P.R., by

Authorized Representative



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## ***Professional Liability Policy***

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In consideration of the payment of the premium, in reliance upon the statements in the Declarations made a part hereof and subject to all of the terms of this policy, agrees with the **Name Insured** as follows:

### **DEFINITIONS**

**“Policy Territory”** means The Commonwealth of Puerto Rico. This insurance applies to damages for injury caused by a **Medical Incident** only within the Commonwealth of Puerto Rico.

**“Name Insured”** means the **Name Insured** identified in the Declarations and any additional **Insured** identified in the Declarations or added by endorsement to this Policy.

**“Insured”** means:

- (1) the **Name Insured**;
- (2) if the **Name Insured** is designated in the Declarations as a **Partnership**, any partner thereof, but only with respect to that partner's liability as such;
- (3) if the **Name 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 **Name Insured** while acting within the scope of that person's duties as such.

**“Partnership”** means:

- (1) Professional Service Corporation (PSC)
- (2) Limited Liability Partnership (LLP)
- (3) Domestic and Foreign Corporation (Corp. or Inc.)
- (4) Limited Liability Corporation (LLC)

**“Medical Incident”** means any act or omission:

- (1) in the rendering of, or failure to render, professional services by the **Insured**, any employee of the **Insured**, or any person acting under the personal direction, control or supervision of the **Insured**;
- (2) in the service by the **Insured** as a member of a formal accreditation, standards review or similar professional board or committee;



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- (3) in the furnishing of, or failure to render, professional services by:
- any member, partner, officer, director, shareholder or employee of the **Insured**, or
  - 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**. All related acts, errors or omissions (whether related logically, casually, or in any other way) in the rendering of, or failure to render, professional services to any one patient (as defined by the applicable law) shall be considered one **Medical Incident** and only one limit of Liability will apply. If a **Medical Incident** arises from a series of related medical services, such **Medical Incident** will be deemed to have happened at the time of the first act, error or omission in respect of which the **Insured** may be legally obligated to pay damages.

“**Company**” means Puerto Rico Medical Defense Insurance **Company**.

## **SUPPLEMENTARY PAYMENTS**

The **Company** will pay, in addition to the applicable limit of liability:

- (1) All expenses incurred by the **Company**, all costs taxed against the **Insured** in any suit defended by the **Company** and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the **Company** has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the **Company**’s liability thereon;
- (2) Premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the **Insured** because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, but the **Company** shall have no obligation to apply for or furnish any such bonds;

## **CONDITIONS**

- a. **Premium:** All premiums for this policy shall be computed in accordance with the **Company**’s rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein. Premium designated in this policy, as “advance premium” is a deposit premium only, which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the



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Declarations as the audit period the earned premium shall be computed for such period and, upon notice thereof to the **Name Insured**, shall become due and payable. If the total earned premium for the policy is less than the premium previously paid, the **Company** shall return to the **Name Insured** the unearned portion paid by the **Name Insured**. The **Name Insured** shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the **Company** at the end of the policy period and at such times during the policy period as the **Company** may direct.

- b. **Inspection and Audit:** The **Company** shall be permitted but not obligated to inspect the **Name Insured's** property and operations at any time. Neither the **Company's** right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the **Name Insured** or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

The **Company** may examine and audit the **Name Insured's** books and records at any time during the policy period and extension thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

### **3. Insured's Duties in the event of Occurrence, Claim or suit:**

- a. As a condition precedent to the protection afforded by this Insurance, the **Insured** shall as soon as practicable, but in no event later than sixty (60) days after expiration of the Policy Period, give written notice to the **Company** of every Claim first made against the **Insured** during the Policy Period. The **Insured** must immediately forward to the **Company** every demand, notice, summons or other legal papers received in connection with the Claim. In the event a Claim is reported to the **Company** within sixty (60) days after the expiration of this Policy, the Claim shall be deemed to have been reported on the last day of the Policy Period.
- b. If an **Insured** first discovers a **Medical Incident** that may subsequently give rise to a Claim otherwise covered by the Policy and gives the **Company** written notice of such **Medical Incident** with full particulars during the Policy Period, then any subsequent Claim made against the **Insured** arising out of the **Medical Incident** shall be treated as if it had been first made during the Policy Period. Potential Claims reported after termination or expiration date of this policy will not trigger coverage under the policy.

All written notices should include the date the **Medical Incident** occurred, the date the Claim was received (if applicable); how, when and where the **Medical Incident**



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took place; the names and addresses of any injured persons and witnesses; and the nature and location of any Injury or damage arising out of the **Medical Incident**.

- 4. Action Against Company:** No action shall lie against the **Company** unless, as a condition precedent thereto, there shall have been full compliance with all of terms of this policy, nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement to the **Insured**, the claimant and the **Company**.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the **Company** as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the **Company** be impleaded by the **Insured** or his legal representative. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the **Company** of any of its obligations hereunder.

**5. Other Insurance:** The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the **Insured** has other insurance, which is stated to be applicable to the loss on an excess or contingent basis, the amount of the **Company's** liability under this policy shall not be reduced by the existence of such other insurance.

When both this insurance and the other insurance apply to the loss on the same basis, whether primary, excess or contingent, the **Company** shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

- a. **Contribution by Equal Shares:** If all of such other valid and collectible insurance provides for contribution by equal shares, the **Company** shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.
  - b. **Contribution by Limits:** If any of such other insurance does not provide for contribution by equal shares, the **Company** shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.
- 6. Subrogation:** In the event of any payment under this policy, the **Company** shall be subrogated to all the **Insured's** rights of recovery therefore against any person or organization and the **Insured** shall execute and deliver instruments and papers and to whatever else is



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necessary to secure such rights. The **Insured** shall do nothing after loss to prejudice such rights.

- 7. Changes:** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or stop the **Company** from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.
- 8. Assignment:** Assignment of interest under this policy shall not bind the **Company** until its consent is endorsed hereon; if, however, the **Name Insured** shall die, such insurance as is afforded by this policy shall apply (1) to the **Name Insured's** legal representative, **as the Name Insured**, but only while acting within the scope of his duties as such and (2) with respect to the property of the **Name Insured**, to the person having proper temporary custody thereof, as **Insured**, but only until the appointment and qualification of the legal representative.
- 9. Cancellation:** This policy may be cancelled by the **Name Insured** by surrender thereof to the **Company** or any of its authorized agents or by mailing to the **Company** written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the **Company** by mailing to the **Name Insured** at the address shown in this policy, written notice stating when not less than twenty days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender of the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the **Name Insured** or by the **Company** shall be equivalent to mailing.
- If the **Name Insured** cancels, earned premiums shall be computed in accordance with the customary short rate table and procedure. If the **Company** cancels, earned premium shall 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.
- 10. Declarations:** By acceptance of this policy, the **Name Insured** agrees that the statements in the Declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between him and the **Company** or any of its agents relating to this insurance.

#### **NUCLEAR ENERGY LIABILITY ENDORSEMENT (BROAD FORM)**

It is agreed that:

I. This policy does not apply:

A. Under any Liability Coverage, to bodily injury or property damage





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- (1) with respect to which an **Insured** under this policy is also an **Insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **Insured** under any such policy but for its termination upon exhaustion of its limit of liability; or
  - (2) resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the **Insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof, with under any agreement entered into by the United States of America, or any agency thereof, with any person or organization,
- B. Under any medical payments coverage, or under any Supplementary Payments provision relating to first aid, to express incurred with respect to bodily Injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- C. Under any Liability Coverage, to **bodily injury** or **property damage** resulting from **the hazardous properties of nuclear material** if
- (1) the **nuclear material** (a) is at any nuclear facility owned by, or operated by or on behalf of, an **Insured** or (b) has been discharged or dispersed therefrom;
  - (2) 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 an **Insured**; or
  - (3) the bodily injury or property damage arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to property damage to such nuclear facility and any property thereat.

II. As used in this endorsement:

**“hazardous properties”** include radioactive, toxic or explosive properties;  
**“nuclear material”** means **source material**, **special nuclear material** or **by product material**; **“source material”**, **“special nuclear material”** and **“byproduct material”** have the meanings given **them** in the Atomic Energy Act of 1954 or in any law amendatory thereof;



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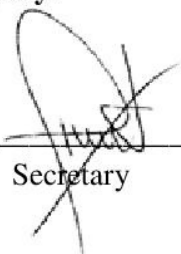
**“spent fuel”** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in **a nuclear reactor**; **“waste”** means any waste material (1) containing **byproduct material** and (2) resulting from the operation by any person or organization of any **nuclear facility** included within the definition of nuclear facility under paragraph (a) or (b) thereof; **“nuclear facility”** means

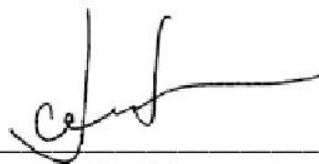
- (a) any **nuclear reactor**,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel**, or (3) handling, processing or packaging **waste**,
- (c) any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if any time the total amount of such material in the custody of the **Insured** at the premises where such equipment or device is located consists more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

**“nuclear reactor”** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;


**“property damage”** includes all forms of radioactive contamination of property.

**Witness Whereof**, the **Company** has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the **Company**.

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
President

Countersigned on 8/25/2015 by

  
\_\_\_\_\_  
Authorized Representative



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## 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 to 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 insura



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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.



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## **MANDATORY PREMIUM AND COVERAGE CONDITIONS ENDORSEMENT PUERTO RICO**

It is hereby understood and agreed that pursuant to the regulations approved by the Commissioner of Insurance of Puerto Rico, this policy is amended according to the following conditions and stipulations:

**1. Policy Premium Paid in Full by You:** If the premium for this policy is to be paid by you in its entirety and is not subject to any form of financing as contemplated by this endorsement, insurance coverage will be afforded only if the total premium is paid in full to, and received by, us or our authorized representative on or before the effective date shown on the declarations of this policy. Otherwise, the policy will be effective on the date the total premium is paid in full to, and received by, us or our authorized representative, and we will proceed as indicated in Section 9 of this endorsement.

**2. Policy Premium Subject to Our Deferred Payment Plan:** If we have available a deferred payment plan duly approved by the Commissioner of Insurance of Puerto Rico under which the premium for this policy will be paid, insurance coverage will be afforded only if the initial or down payment under said payment plan is paid to, and received by, us or our authorized representative on or before the effective date shown on the declarations of this policy. Otherwise, this policy will be effective on the date the initial or down payment is paid in full to, and received by, us or our authorized representative, and we will proceed as indicated In Section 9 of this endorsement.

**3. Policy Premium to be Financed as Part of a Financing or Leasing Transaction:** If the premium for this policy is being financed in its entirety (and accordingly no initial or down payment is made by you) in connection with the financing or leasing of property, insurance coverage will be afforded as of the effective date shown on the declarations of this policy only if, within thirty (30) days following the end of the month in which the policy is to be effective, we receive from the bank or financing institution the corresponding total premium. In the event the payment from the bank or financing institution is not received by us or our authorized representative by the due date indicated above, no insurance coverage will be afforded under this policy and the same will be void as of the date on which it should have become effective.

**4. Policy Premium to be Financed by a Financing Institution or by a Bank:** If the premium for this policy is financed through a financing institution or by a bank in a situation not covered by the preceding section 3, this policy will be effective on the date the down payment of at least 20% of the total annual premium to be paid by you, together with the corresponding premium finance contract duly executed, are received by us or our authorized representative. In the event the financing institution or the bank does not make the total corresponding payment and said payment is not received by us or our authorized representative within the thirty (30) days following the inception date of the policy, we will cancel the policy in accordance with the cancellation clause of this policy.

**5. Policy Premium to be Paid Under an Escrow Account:** If this policy is issued in connection with the financing or leasing of property and the premium for this policy is to be paid from funds proceeding from an escrow account, insurance coverage will be afforded as of the effective date shown on the declarations of this policy only if, within thirty (30) days following the end of the month in which the policy is to be effective, we receive from the bank or financing institution the corresponding total premium. In the event the payment from the bank or financing institution is not received by us or our authorized representative by the due date





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indicated above, no insurance coverage will be afforded under this policy and the same will be void as of the date on which it should have become effective.

**6. Policy Premium to be Partly Paid with Proceeds of Single Interest Insurance Cancellation:** If a portion of the total premium for this policy will be paid with the proceeds of the premium return resulting from the cancellation of a single interest policy or certificate, this policy will be effective as of the date the greater of the following amounts is paid to, and received by, us or our authorized representative:

- a. 20% of the annual premium corresponding to this policy, or
- b. the difference between the total premium payable under this policy and the proceeds of the premium return resulting from the cancellation of the single interest policy or certificate.

In the event said premium return is not received by us or our authorized representative within the sixty (60) days following the end of the month in which this policy became effective, we will mail you a notice of cancellation in accordance with the cancellation clause of this policy, to be effective on the date the premium paid by you is exhausted.

**7. Endorsement Premium:** Endorsements issued after the inception date of this policy, affording additional insurance and which result in an additional premium, shall not be effective until the total additional premium due thereon is paid in full to, and received by, us or our authorized representative. This procedure will be followed if the premium for this policy has been paid in full by you or has been financed by the bank or financing institution. If the premium for this policy is subject to a deferred payment plan the aforesaid endorsement shall not be effective until a down payment of the additional premium in accordance with such plan is paid to, and received by, us or our authorized representative, and accordingly subsequent payments of the plan are amended to include the unpaid portion of the additional premium for the endorsement.

**8. Premium Corrections:** Any additional premium due resulting from changes in rates, classifications, premium bases, or any other adjustments (as determined by us or the proper rating organization), shall be paid in full within thirty (30) days from the date of billing of the corrective endorsement. If the payment corresponding to this policy is subject to a deferred payment plan or a premium financing contract, a down payment of the additional premium in accordance with such plan or financing contract shall be paid to, and received by, us or our authorized representative within that same thirty (30) day period and accordingly subsequent payments of the plan will be amended to include the unpaid portion of the additional premium for the endorsement. Otherwise, we shall mail to you a notice of cancellation in accordance with the cancellation clause of this policy using the sum of the original premium plus the premium of the corrective endorsement as the basis for the calculation of the amount of premium return due to you, if any.

**9. Late Payments:** If payment is received after the specified due date, we will proceed as follows:

- a. For new policies (Sections 1 and 2 above) we will issue a change of effective date of coverage notice stating:
  - i. that the insurance afforded under the policy is effective as of the date of receipt of the applicable premium payment,
  - ii. the resulting amended inception and expiration dates of the policy, which will be postponed by the same number of days that coverage was not afforded due to the late receipt of the premium payment, and
  - iii. the corresponding period of time during which coverage is not afforded under the policy.
- b. For premium correction endorsements (Section 8 above) we will issue, subject to the applicable regulations, a limited reinstatement notice stating:
  - i. that the insurance afforded by the policy will be reinstated as of the date of receipt of the applicable additional premium payment,
  - ii. the period for which coverage is not afforded, and



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iii. the amount of premium return due to you, if any.

10. **Cancellation of Policy:** Upon failure of any premium when due under a policy in force, we must, within the next twenty (20) days following the due date, issue a notice of cancellation in accordance with the provisions of the policy.

11. **Definition of Authorized Representative:** Authorized representative for the purpose of this endorsement means a general agent, an authorized policy writing agent, or a person duly authorized in writing by us for premium collection purposes.

12. This mandatory endorsement supersedes any other conditions to this effect in this policy to which it is attached.



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## CONTINUOUS RENEWAL ENDORSEMENT

To be attached to and forming part of Policy No.

It is hereby understood and agreed that the policy to which this endorsement is attached, is hereby amended as follows:

In consideration of the **Insured's** payment of the required future renewal premiums and subject to the rules and rates then in force, this policy shall be automatically renewed for successive one year periods until cancelled pursuant to its cancellation clause.

This endorsement is subject otherwise to all of the terms, exclusions and conditions of the above mentioned policy.



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### STATEMENT OF REPRESENTATIONS AND ACCEPTANCE

The undersigned represents that he (she) has no knowledge of any claim or **suit** having been filed in which he (she) is included as defendant or codefendant, and/or in which allegations of negligent acts or omissions have been imputed against the **Insured**, or any occurrence(s) or circumstance(s), or **Medical Incident**, which might be reasonably expected to result in a claim or **Suit**, except as indicated below (Please give a brief description of each claim, occurrence or circumstance or **Medical Incident**):

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The undersigned is aware and agrees that no coverage will be afforded for claims first made while the policy being reinstated herein was not in force, or for the following:

1. Claim(s) received on or after the effective date of this reinstatement and arising out of the above described occurrence(s) or circumstance(s), or **Medical Incident** (s).
2. Complaint(s) which the **Insured** has been notified of or served with summons while the policy being reinstated herein was not in force.
3. Complaint(s) filed prior to the effective date of this reinstatement, in which the **Insured** is named as defendant, or codefendant, and/or in which allegations of negligence or omissions are imputed against the **Insured**, any of which the **Insured** was or should have been aware while the policy being reinstated herein was not in force.
4. Claim(s) received on or after the effective date of this reinstatement, in which negligence and/or omissions are imputed against the **Insured**, of which the **Insured** was or should have been aware while the policy being reinstated herein was not in force.
5. Claim(s) received on or after the effective date of this reinstatement, the existence of which were or should have been anticipated by the **Insured** due to specific circumstances (such as requests for medical records) occurring while the policy being reinstated herein was not in force.

The above representations are made as a condition for the Company to consider the request for the limited reinstatement of the undersigned's policy number \_\_\_\_\_.

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_



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### ***Medical or X-Ray Laboratories***

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## **THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

### **Hospital Professional Liability Insurance (Claims Made)**

It is agreed that:

1. Section I is amended to read:

The company will pay on behalf of the **Insured** all sums which the **Insured** shall become 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 to 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 judgments or settlements.

### **Exclusion**

This insurance does not apply:

(a) to liability assumed by the **Insured** under any contract or agreement, but his exclusion does not apply to a warranty of fitness or quality of any biological, immunological or other therapeutic agents of the kind customarily manufactured and sold at retail by clinical-pathological laboratories.

(b) to bodily injury to any employee of the **Insured** arising out of and in the course of that person's employment by the **Insured**;



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(c) to any obligation for which the **Insured** or any carrier acting as insurer may be held liable under any worker's compensation, unemployment compensation, or disability benefits law or under any similar law;

(d) to liability of an **Insured**, if an individual, for such **Insured's** personal acts or omissions involving a **Medical Incident**;

(e) to property damage to any biological, immunological or other therapeutic agent prepared, sold, handled or distributed by the name **Insured** arising out of such agent or any part of such agent.

2. Amended Definition

“**Medical Incident**” means any act or omission:

(a) in the furnishing of professional services in the performance of clinical-pathological examinations and services for diagnostic the status of health, disease or injury of human beings or animals, or taking of X-Ray pictures, or

(b) arising out of biological, immunological or other therapeutic agents of the kind customarily manufactured or sold at retail by clinical-pathological laboratories, but only if such agents are prepared, sold, handled or distributed by the named **Insured** or from the premises designated below, and the injury occurs after the named **Insured** has relinquished thereof to others;

3. The premium basis for this insurance is “receipts”, meaning the gross amount of money charged by the named **Insured** for operations and services during the policy period which are covered hereby, and for all such therapeutic agents sold, rented or distributed during the policy period, and includes taxes, other than taxes which the named **Insured** collects as a separate item and remits directly to a governmental division.



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Attached to Policy # CLP-20001

Issued on CARLOS J. FEBLES MENA DBA LABORATORIO CLINICO BORINQUEN

**PRIOR ACTS ENDORSEMENT (NOSE)**

In consideration of the premium charged, and subject to this endorsement and the statements made by the named **Insured** in his/her application for this policy, it is hereby understood and agreed that effective on 5/10/2015 this policy is issued with retroactive date of 5/10/2006. Furthermore, it is hereby understood and agreed that the period within these two dates will be known as the prior acts period since, during said period coverage was afforded to the **Insured** by another carrier.

All other terms and conditions remain unchanged.

Name: Lucyll Correa Nieves

Date: 8/25/2015

Signature: 