



The Corporate Center Buliding  
33 Resolucion Street, Ste 702  
San Juan,PR 00920-2707  
Tel: (787)999.7763 • Fax: (787)993.7763  
resolve@prmdic.com

To: DIEGO LOINAZ SAN JUAN

# INVOICE

INVOICE: 01

DATE: 2/5/2020

AVE INTECO

Excess Policy:PE-  
**\$4,468.00**

CAGUAS PR, 00756

AGENCY: ADOLFO KRANS ASSOCIATES, INC

PRODUCER: MMPG INSURANCE SERVICES, INC.

Invoice	Effective	Description	AMOUNT
01	2/5/2020	Excess Policy:PE- Effective From 2/5/2020 to 2/5/2021	\$4,428.00
		*Surcharge (0.9%)	\$40.00
TOTAL DUE			\$4,468.00

\* This amount in order to recover the amounts previously paid by Puerto Rico Medical Defense Insurance Company to the Puerto Rico Property & Casualty Insurance Guaranty Association. Please refer to the Official Mandatory Endorsement Number E-114, attached to and made part of this policy.

Please make all checks payable to: PUERTO RICO MEDICAL DEFENSE INSURANCE COMPANY

**We thank you for your businnes.**

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INVOICE:



**PUERTO RICO  
PHYSICIANS, SURGEONS & DENTISTS  
EXCESS PROFESSIONAL LIABILITY  
INSURANCE POLICY**

## Physicians, Surgeons and Dentists Professional Liability Excess Insurance Policy

(Claim Made)

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

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### DECLARATIONS

1. (a) Insured Name: DIEGO LOINAZ SAN JUAN  
(b) Partnership Name: N/A  
(c) Insured's Address: AVE INTECO CAGUAS PR, 00756  
(c) Insured Agent or Broker: ADOLFO KRANS ASSOCIATES, INC  
MMPG INSURANCE SERVICES, INC.
2. **POLICY NUMBER:** PE-

3. **POLICY PERIOD:**

From: **FEBRUARY 5, 2020**

To: **FEBRUARY 5, 2021**

\*(both days at 12.01 A.M. Local Standard Time at the Insured's address shown in Item 1(c) of the Declarations.)

4. **RETROACTIVE DATE:** FEBRUARY 5, 2020

5. The insurance afforded is only with respect to the following coverages are indicated by specific premium charge or charges, subject to the limits of a liability stated herein and to all the terms of this policy relating thereto:

Coverage	Limits (each medical incident / aggregate)	Total Premiums
A - Individual Coverage	\$1,000,000/\$3,000,000	\$4,428.00
B - Partnership Coverage	Not Covered	\$ NOT COVERED
Policy Total	\$1,000,000/\$3,000,000	\$4,428.00

\*Coverage is provided only when a limit its associated premium are stated.

\*Separate policies will be issued for each coverage (individual liability or partnership liability), when applied for and both coverages are provided by the Company.

6. **UNDERLYING INSURANCE INFORMATION**

Underlying Insurer / Policy Number: SIMED / ASD

Underlying Policy Term From: 2/20/2020 To: 2/20/2021

Underlying Limits (Each Medical Incident/Aggregate):

Coverage A: 1,000,000/3,000,000

Coverage B: Not Covered

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**7. SPECIAL CONDITIONS:**

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

- Refer to the Schedule of Endorsements (PRMD-SED-E-01/2012):

- Proir Act Endorsement (PRMD E-111 (01/2012))

8. Under Coverage B, the insured is engaged in partnership with the following persons (state for each whether a physician, surgeon or dentist):
9. The number of professional employees employed (a) under Coverage A, by the insured or (b) under Coverage B, by the partnership is as follows:

Professional Employees	Coverage A	Coverage B
Physicians / Surgeons	Not Covered	Not Covered
Dentists	Not Covered	Not Covered
Physician's or Surgeon's Assistants	Not Covered	Not Covered
Employed Technicians-Radium (including diagnostic X-Ray)	Not Covered	Not Covered
Laboratory or Pathological	Not Covered	Not Covered
Radiation Therapy Technician	Not Covered	Not Covered
Nurse Anesthetist	Not Covered	Not Covered
Other	Not Covered	Not Covered

10. The insured is engaged in practice as a: Acupuncture Class Code:80437 and is fully registered and licensed to practice his profession under the laws of the Commonwealth of Puerto Rico.

11. Puerto Rico Physician, Surgeon or Dentist License Number: 45646

12. The insured:

- (1) is not connected with any partnership other than that described in item (10);
- (2) is not an owner or operator of a hospital, sanatorium or clinic with bed and board facilities;
- (3) does not perform major surgery;
- (4) does not perform minor surgery;
- (5) does not use X-Ray apparatus for therapeutic treatment;
- (6) has no other professional specialty;

Exception, if any to (1), (2), (3), (4), (5), or (6): \_\_\_\_\_

Puerto Rico Medical Defense

Countersigned on: 2/5/2020 in San Juan, PR, by: \_\_\_\_\_



Authorized Representative

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## PHYSICIANS, SURGEONS & DENTISTS EXCESS PROFESSIONAL LIABILITY INSURANCE POLICY CLAIMS MADE AND REPORTED COVERAGE

### IMPORTANT NOTICE

THIS IS A **CLAIMS** MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS, CONDITIONS, AND EXCLUSIONS, THIS POLICY ONLY PROVIDES COVERAGE FOR **CLAIMS** WHICH ARE FIRST MADE AGAINST THE **INSURED** AND REPORTED TO PUERTO RICO MEDICAL DEFENSE INSURANCE COMPANY AS SOON AS PRACTICABLE BUT IN NO EVENT LATER THAN SIXTY (60) DAYS AFTER EXPIRATION OF THE POLICY. EXTENDED REPORTING PERIOD COVERAGE IS AVAILABLE. THE **COMPANY'S** LIABILITY IS LIMITED TO THOSE **CLAIMS** ARISING OUT OF **PROFESSIONAL SERVICES** WHICH WERE RENDERED SUBSEQUENT TO THE RETROACTIVE DATE STATED IN THE DECLARATIONS.

In consideration of the payment of the premium and in reliance upon the representations in the **Insured's** completed and signed application attached hereto and made a part hereof and any materials submitted therewith for this Insurance, and subject to the Policy wording including the Insuring Agreements, Conditions, Definitions and Exclusions made a part hereof, the **Company** agrees with the **Insured** as follows:

### 1. INSURING AGREEMENT:

Subject to the Limit of Liability and the terms, conditions and exclusions applicable to this Policy, the **Company** agrees to pay on behalf of the **Insured** all **Excess Loss** for which the **Underlying Limit** has been paid under a scheduled **Underlying Policy**, when reported to the **Company** in accordance with Condition 1 of the Policy with respect only to his practice within the Commonwealth of Puerto Rico:

#### Coverage A – Individual Professional Liability

All sums which the **Insured** shall become legally obligated to pay as **Damages** because of **Injury** to which this policy applies caused by a **Medical Incident**, occurring on or after the retroactive date, for which a **Claim** is first made against the **Insured** and reported to the **Company** during the **Policy Period**, arising out of the rendering of or failure to render **Professional Services** by the **Insured** as a physician, surgeon or dentist.

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## Coverage B – Partnership Professional Liability

All sums which the **Insured** shall become legally obligated to pay as **Damages** because of **Injury** to which this policy applies caused by a **Medical Incident**, by any person whose acts or omissions the professional partnership insured is legally responsible, occurring on or after the retroactive date, for which a **Claim** is first made against the **Insured** and reported to the **Company** during the **Policy Period**.

## 2. DEFENSE, SETTLEMENT, INVESTIGATION

In any **Claim** for which the **Insured** is entitled to a defense under a scheduled **Underlying Policy**, the **Company** shall have no duty to defend the **Insured**, unless the **Company** is the **Underlying Insurer**; in which case, the **Company** shall have the right and duty to defend any suit against the **Insured** seeking **Damages** because of **Injury** to which this insurance applies even if any of the allegations of the suit are groundless, false or fraudulent. However, the **Insured** shall provide the **Company** with the opportunity to participate in the defense and investigation of any **Claim** which is reasonably likely to exceed the **Underlying Limit**. Selection of legal representatives as well as the sharing of the **Defense Expenses** will be made in agreement between the **Company** and the **Underlying Insurer**. The **Company's** liability for **Defense Expenses** shall not exceed the ratio between the **Excess Loss** payable on the **Claim** under this policy and the total amount of **Damages** the **Insured** becomes legally obligated to pay on the **Claim**, whether through adjudication or settlement.

. The **Company** will not settle any **Claim** or suit without the **Insured's** consent. The **Insured's** consent shall not be unreasonably withheld, nor withheld solely on the basis of the amount of money to be tendered in an offer of settlement. The **Insured's** consent will be deemed to be given unless written notice to the contrary is received by the **Company** within thirty (30) days of the mailing of the notice of its intent to settle. All **Defense Expenses** are in addition to the limit of liability.

## 3. WHEN A CLAIM IS MADE

A **Claim** is considered to be first made at the earlier of the following times:

- (1) When the **Insured** first gives written notice to the **Company** that a **Claim** has been made;
- (2) When the claimant first gives written notice to the **Company** of a **Claim**; or

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(3) When the **Insured first discovers** and gives written notice to the **Company** of:

- a. A specific act, error or omission which may subsequently give rise to an actual **Claim** or suit, arising out of the rendering of or failure to render **Professional Services**;
- b. The **Injury** or damage which has resulted or may result from such act, error or omission; and
- c. The circumstances by which the **Insured** first became aware of such act, error or omission.

The giving of first written notice to the **Company** shall be considered to have occurred as of the postmarked date of said written notice or if delivered personally, as of the date on which it is received by the **Company**.

Incidents or circumstances reported as part of engineering on loss control shall not be considered notifications of **Claims** or potential **Claims**.

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

#### **4. GOOD SAMARITAN CLAUSE**

The territorial restriction of this policy does not apply with respect to a **Medical Incident** resulting from incidental and unexpected practice in:

- (a) the United State of America, its territories or possessions or Canada, or
- (b) international waters or air space, provided the incidental or unexpected practice does not occur in the course of travel or transportation to or from any other country, state or nation.

#### **5. LIMITS OF LIABILITY**

##### **Coverage A – Individual Professional Liability**

The total liability of the **Company** for all **Damages** because of all **Injury** to which this insurance applies shall not exceed the limit of liability stated in the schedule as “aggregate”.



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Subject to the above provision 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 be that amount which exceeds the per **Medical Incident** limit of the **Underlying Policy** but not exceeding the limit of liability stated in the schedule as applicable to each **Medical Incident**.

Such limits of liability shall apply separately to each **Insured**.

## **Coverage B – Partnership, Association or Corporation Professional Liability**

Regardless of the number of **Insureds** under this insurance or 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 the insurance applies shall not exceed the limit of liability stated in the schedule as “aggregate”.

Subject to the above provision with respect to “aggregate”, the total liability of the **Company** for all **Damages** because of all **Injury** caused by any one **Medical Incident** shall not exceed the limit of liability stated in the schedule as applicable to “each **Medical Incident**”.

## **6. SUPPLEMENTARY PAYMENT**

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**, excluding prejudgment interest, 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 the part of the judgment which does not exceed the limit of the **Company’s** liability thereon;
- (2) all 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, but the **Company** shall have no obligation to apply for or furnish any such bonds;



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- (3) reasonable expenses incurred by the **Insured** at the **Company's** request in assisting the **Company** in the investigation or defense of any **Claim** or suit.

## **7. RETROACTIVE DATE AND RELATED CLAIMS**

This Policy only applies to **Medical Incidents** which occur subsequent to the Retroactive Date specified in the Declarations and for which a **Claim** is first made against the **Insured** and reported to the **Company** in writing in accordance with Condition 1 of the Policy.

All **Claims** arising out of the same **Medical Incident** or interrelated **Medical Incidents** shall be treated as a single **Claim** and considered as having been made at the time the first **Claim** was made. **Claims** arising out of the same **Medical Incident** or interrelated **Medical Incidents** shall be treated as a single **Claim** no matter how many **Insureds** are involved. The inclusion of more than one **Insured** or the making of **Claims** by more than one person or organization shall not operate to increase the **Company's** Limit of Liability. All related **Claims** shall be subject to the Limit of Liability applicable to the **Policy Period** in which the first of such related **Claims** was reported.

## **8. CURRENCY & PAYMENT OF PREMIUMS & LOSSES**

The premium and losses under this policy are payable in United States dollars.

## **9. RIGHT TO PURCHASE EXTENDED REPORTING PERIOD COVERAGE**

If this policy is terminated for any reason other than those events specified in item 10 below, the **Insured** has the right, but not the obligation, to purchase an Extended Reporting Period endorsement. The **Insured** must notify the **Company**, in writing, and remit full payment within thirty (30) days of the termination date or thirty (30) days of the date the **Company** mailed notification of the **Insured's** option, whichever is greater. The **Insured** must also remit any earned but unpaid premium that may be due under the terminated policy. The policy language that applied immediately prior to the termination date will apply to all **Claims** submitted during the extended reporting period.

Once the optional Extended Reporting Period is exercised as stated above, the endorsement may not be cancelled and will be valid for an unlimited duration of time. The premium for this option is non-refundable and considered fully earned. The Extended Reporting Period does not extend the **Policy Period**, change the scope of coverage provided, or increase the limits of liability. The aggregate limits of liability applicable to the Extended Reporting

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Period will be reinstated once, to the same limits as those applicable to the terminating policy at the time of termination.

However, an Automatic Extended Reporting Period of unlimited duration will be provided for no additional premium if the following conditions are met: a) the sudden death of the **Insured**, the disability of the **Insured** to carry on the practice of medicine or if the **Insured** retires permanently from the practice of medicine after attaining the age of sixty five (65) years; b) the named **Insured** has been insured by the **Company** for at least ten (10) consecutive years immediately prior to such termination- and c) the **Insured** has not been involved in any **Claim** or suit during the period insured by the **Company** resulting in a payment by the **Company** of any judicial obligation or transaction, other than legal fees or expenses. For this Extended Reporting Period Coverage, the limit of Insurance available will be that of the last policy in effect for the **Insured**. This Automatic Extended Reporting Period does not apply to **Claims** first made against the **Insured** that are covered under any subsequent insurance or any other extended reporting period coverage the **Insured** purchased, or that would otherwise be covered under said coverages, but for exhaustion of the amount of insurance applicable to such **Claim**.

The **Insured** is required to maintain their **Underlying Insurance** during the Extended Reporting Period. If an **Insured's Underlying Policy** is terminated, the **Insured** is required to purchase an Extended Reporting Period for that **Underlying Policy**. If the **Insured** does not maintain the **Underlying Policy** as described, the **Company's** duty to pay the **Excess Loss** on behalf of the **Insured** will apply as if the **Insured's Underlying Policy** had been maintained.

## 10. OPTIONAL EXTENDED REPORTING PERIOD FOR SPECIFIC CIRCUMSTANCES

In the event of termination of this policy by reason of non-renewal or cancelation because of the happening of the one of the following events, the **Insured**, his heir or guardian, upon payment of an additional premium to be quoted by the **Company**, which shall no exceed 200 percent of the annual premium for the expiring policy, shall have the option to extend for an unlimited duration the period during which **Claims** may be reported to the **Company**, subject otherwise to all the terms, exclusions and conditions of this policy:

- (1) the sudden death of the **Insured**;
- (2) the total retirement or voluntary or involuntary total separation of the **Insured** from the practice of medicine; or

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- (3) the disability of the **Insured** to carry on the practice of medicine, but only if such total disability shall have continued without significant interruption for a term of not less than six (6) months.

This Optional Extended Reporting period shall only apply to **Claims** first made against the **Insured** subsequent to the effective date of such termination, but only by reason of **Claims** because of **Injury** to which this policy applies arising out of the rendering of or failure to render **Professional Services** by the **Insured** on or after the retroactive date of this policy and prior to the effective date of such termination and subject otherwise to all the terms, exclusions and conditions of this policy.

The **Insured**, his heirs or guardian, must inform the **Company** in writing of his intent to purchase the Optional Extend Reporting Period for Specific Circumstances coverage within thirty (30) days from the date of the aforesaid termination and must pay the premium therefore in full within that thirty (30) day period. Failure to so inform and pay the **Company** within this thirty (30) day period shall void the option to purchase the Optional Reporting Period for Specific Circumstances coverage provided in this section.

The Optional Extended Reporting Period for Specific Circumstances coverage will be subject to separate per **Medical Incident** and aggregate liability limits equal to 100 percent of the expiring policy's per **Medical Incident** and aggregate limits.

## CONDITIONS

### 1. INSURED'S DUTIES IN THE EVENT OF CLAIM/POTENTIAL CLAIM

- 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



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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** 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**.

## **2. ASSISTANCE AND COOPERATION**

The **Insured** must do nothing after a **Claim** to prejudice the **Company's** rights.

The **Insured** shall cooperate with the **Company** and, upon the **Company's** request, shall assist in the conduct of the **Claim** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** regardless of any **Claim** with respect to which Insurance is or may be afforded under this Policy. The **Insured** shall attend all hearings and trials and assist in securing and giving evidence and obtaining witnesses.

In the event any payment is made under this Insurance, the **Company** will be subrogated to all of the **Insured's** rights of recovery against any person or organization and the **Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The **Insured** shall not voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the **Medical Incident**.

## **3. OTHER INSURANCE**

If the **Insured** has other valid and collectible insurance against a loss covered by this policy, the insurance hereunder shall apply only as excess insurance over any other valid and collectible insurance and shall apply only in the amount by which the applicable limits of this insurance exceed the sum of the applicable limits of liability of all other such insurance.

## **4. LEGAL ACTION AGAINST THE COMPANY**

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No action shall lie against the **Company** unless, as a condition precedent there to, the **Insured** shall have fully complied with all the terms of this **Policy**.

No action shall lie against the **Company** until the amount of **Excess Loss** has been finally determined by the entry of judgment or written agreement between the **Insured**, the claimant and the **Company**. Once the amount of **Excess Loss** has been finally determined, the claimant shall be entitled to recover under the terms of this policy.

**5. FALSE OR FRAUDULENT CLAIMS**

If the **Insured** shall give notice of any **Claim** or potential **Claim** knowing the same to be false or fraudulent, this Insurance shall become void and all rights hereunder shall be forfeited by the **Insured**.

**6. INSPECTION AND AUDIT**

The **Company** shall be permitted, but not obligated, to inspect the **Insured's** property, operations and/or records at any time. Neither the **Company's** right to make inspections nor the making thereof or any report thereon shall constitute an undertaking on behalf of or for the benefit of the **Insured** 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 **Insured's** books and records at any time during the **Policy Period**, and extensions thereof, and within three years after the final termination of this Insurance.

**7. CHANGES**

The terms of this Policy shall not be waived or changed except by endorsement duly executed by an authorized representative of the **Company**, issued to form a part of this Policy, and agreed upon by the **Insured**.

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## 8. ASSIGNMENT

The interest hereunder of any **Insured** is not assignable.

Under Coverage A – Individual Professional Liability – if the **Insured** shall die or become adjudged incompetent, this policy shall thereupon terminate for such person, but such insurance as is afforded by this policy shall apply to the **Insured's** legal representative, but only while acting within the scope of his duties as such, with respect to acts or omissions previously incurred and covered by the policy.

Under Coverage B – Partnership Professional Liability – if any member, partner, officer or director of the **Insured** shall die or be adjudged incompetent, this policy shall thereupon terminate for such person, but such insurance as is afforded by this policy shall apply to the **Insured's** legal representative, but only while acting within the scope of his duties as such, with respect to acts or omissions previously incurred and covered by this policy.

## 9. STATEMENTS AND REPRESENTATIONS IN THE APPLICATION

By acceptance of this Insurance, the **Insured** agrees that the statements in the application are his/her representations, that such representations are accurate and complete, that such representations are material to the risk undertaken by the **Company** and that this policy is issued and continued in force in reliance upon the truth of such representations.

## 10. NOTICE OF CANCELLATION

This policy may be cancelled by the **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 **Insured** at the address shown in this policy, written notice stating when not less than ten (10) 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 **Insured** or by the **Company** shall be equivalent to mailing.

If the **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.

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**11. SOLE AGENT**

The **Insured** first named in Item 1 of the declarations shall act on behalf of all **Insureds** with respect to the giving and receiving notice of cancellation of nonrenewal, accepting any endorsement issued to form a part of this policy and receiving any return premium, if any; and is charged with the responsibility for notifying the **Company** of any changes of members, partners, officers, directors, stockholders or employees or any other change which might affect the insurance hereunder.

**12. CONFORMITY WITH STATUTE OR REGULATION**

If any term of this policy, or any duty arising therefrom, would cause the **Company** to violate any federal, state or local law or regulation, the policy is amended to bring the **Company** into compliance with such statute or regulation.

**13. MAINTENANCE OF SCHEDULED POLICIES**

The **Underlying Policies** shall be maintained by the **Insured** at all times relevant to the coverage provided by this policy. Therefore, the **Insured** shall do nothing to restrict the terms or limits provided by the **Underlying Policies**. If the **Insured** fails to maintain or meet all terms and conditions of an **Underlying Policy**, the **Company's** duty to pay the **Excess Loss** will apply as if the **Underlying Policy** had been so maintained.

**EXCLUSIONS**

This Policy does not apply to any **Claim**, including **Damages** and **Defense Expenses**, arising directly or indirectly from:

1. Any obligation for which an **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.
2. Any liability the **Insured** has as an owner, proprietor, superintendent, partner, manager, director, officer, shareholder, agent, administrative officer, executive officer or member of the board of directors, trustees or governors of any:



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- a. hospital, nursing home, sanatorium, retirement facility, clinic or similar institution which provides bed and board facilities;
- b. laboratory (e.g. medical, dental, diagnostic) or pharmacy;
- c. medical clinic, health maintenance organization or managed care facility; or
- d. other business, organization, partnership, association or corporation not specifically set forth in the Declarations.

3. Any **Medical Incident** which:

- a. happened prior to the retroactive date;
- b. resulted in a **Claim** made against the **Insured** after the **Policy Period** or reported to the **Company** after sixty (60) days after expiration of the **Policy Period**;
- c. was **First Discovered** by the **Insured** prior to the **Policy Period** listed on the Declarations page; or
- d. was reported to or covered under any policy or self-insured retention in effect before this Policy.

4. Any **Claim** arising out of any criminal act, including, but not limited to, dishonest, fraudulent, malicious or intentional wrongful acts, sexual abuse, or molestation, or fraud committed by the **Insured** or any person for whom the **Insured** is legally responsible.

5. Discrimination, humiliation, harassment or misconduct because of age, race, creed, color, gender, sexual preference, disability, national origin, illness or positive test for the transmission of a communicable disease.

6. Liability assumed by the **Insured** under any contract, except any liability which the **Insured** would have had in the absence of such contract.

7. **Advertising Injury, Personal Injury or Property Damage.**

**Advertising Injury** means an **Injury** caused by any of the following offenses in the advertising of the **Insured's Professional Services** as a healthcare provider:

- a. libel or slander;
- b. written or spoken material made public which violates an individual's right of privacy or belittles the product or work of others;
- c. unauthorized taking of advertising ideas or style of doing business; or
- d. infringement of copyright, title or slogan.

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**Personal Injury** means **Injury** other than bodily **Injury** caused by any of the following offenses:

- a. false arrest, detention or imprisonment;
- b. malicious prosecution;
- c. wrongful entry or wrongful eviction;
- d. libel or slander; or
- e. written or spoken material made public which violates an individual's right of privacy.

**Property Damage** means:

- a. physical **Injury** to tangible property, including all resulting loss of use of that property; and
- b. loss of use of tangible property which has not been physically damaged or destroyed.

8. Any act committed in violation of any law or ordinance.

## DEFINITIONS

**INJURY** means bodily **Injury**, sickness, disease, mental anguish, mental **Injury** or emotional distress suffered by a person, including death at any time resulting therefrom.

**CLAIM** means any written demand for **Damages** received by the **Insured** resulting from a **Medical Incident**, including but not limited to the filing of a lawsuit against the **Insured**.

**COMPANY** means Puerto Rico Medical Defense Insurance Company.

**DAMAGES** mean a compensatory settlement, award or judgment which the **Insured** is obligated to pay. **Damages** include pre-judgment interest. **Damages** do not include:

- a. punitive or exemplary **Damages**, fines or penalties, or any **Damages** which are a multiple of compensatory **Damages**;
- b. the return or restitution of fees, compensation, profits, charges and/or expenses paid to the **Insured** for services rendered; or
- c. judgments or awards deemed uninsurable by law.

**DEFENSE EXPENSES** means:

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- a. all expenses incurred by the **Company** in defending a **Claim**, all costs taxed against the **Insured** in any suit and all post-judgment interest which accrues on the entire amount of the judgment before the **Company** have paid or tendered or deposited in court that part of the judgment which does not exceed the applicable Limit of Liability of this Policy;
- b. premiums on appeal bonds required in any defended suit. The **Company** has no obligation to apply for or furnish an appeal bond. The amount of any appeal bond shall not exceed the applicable Limit of Liability of this Policy; and
- c. all reasonable expenses, other than loss of earnings, incurred by the **Insured** at the **Company's** request and with the **Company's** express written consent prior agreement.

**Defense Expenses** does not include:

- a. any **Defense Expenses** incurred after the each **Medical Incident** or aggregate Policy limit is exhausted by payment of **Damages**.
- b. any attorney fees awarded to a claimant.
- c. the salary of any employee of **Insured**.
- d. the forgiveness of any amounts owed for the cost of care or services rendered by an **Insured**.

**EXCESS LOSS** means **Damages** which exceed the **Underlying Limit** or, if applicable, the deductible or other retained amount.

**FIRST DISCOVERS** means the date on which an **Insured** first knew, or reasonably should have known, of the potential **Claim**. All **Claims** and potential **Claims** arising from the same **Medical Incident** shall be considered as having been **First Discovered** when the first potential **Claim** was discovered by the **Insured**.

**INSURED** means the named **Insured** identified in the Declarations and any additional **Insured** identified in the Declarations or added by endorsement to this Policy.

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

**Under Coverage A** – Individual Professional Liability – each individual named in the declarations as **Insured**;

**Under Coverage B** – Partnership Professional Liability – the entity named in the declarations and any member, partner, officer, director or shareholder thereof with respect to the acts or omissions of others, provided no such member, partner, officer, director or

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shareholder of a partnership, shall be an **Insured** under this paragraph 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.

Furthermore, Partnership is hereby defined as including:

Professional Service Corporation (PSC)  
Limited Liability Partnership (LLP)  
Domestic and Foreign Corporation (Corp. or Inc.)  
*Limited Liability Corporation (LLC)*

**MEDICAL INCIDENT** means any act, error or omission:

- (1) **Under Coverage A** – Individual Professional Liability – (a) 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**, or (b) in the service by the **Insured** as a member of a formal accreditation, standards review or similar professional board or committee.
- (2) **Under Coverage B** – Partnership Professional Liability – in the furnishing of, or failure to render, **Professional Services** by (a) any member, partner, officer, director, shareholder or employee of the **Insured**, or (b) any person acting under the personal direction, control or supervision of the **Insured**.

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**.

**POLICY PERIOD** means the period from the inception date and hour of this Policy to the earlier of the Policy expiration date and hour or the end of the Extended Reporting Period, if purchased, set forth in the Declarations or any other termination date effected in accordance with the terms of this Policy.

**PROFESSIONAL SERVICES** means services performed by the **Insured** in the treatment and/or care of any patient, and shall include:

- 1) medical or surgical services provided to any person;

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- 2) the furnishing of medical or surgical supplies and appliances, medication, blood and blood products and food and beverages in connection with such services;
- 3) the handling of, or performing post-mortem examinations on human bodies;

**TERRORISM** means activities against persons, organizations, property of any nature:

That involves the following or preparation for the following:

- a. Use or threat of force of violence;
- b. Commission or threat of a dangerous act;
- c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system; and

When one or both of the following applies:

The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

It appears that the intent is to intimidate or coerce government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

**UNDERLYING INSURANCE** means all policies scheduled in Item 5 of the Declarations and any policies of the same insurer replacing or renewing them.

**UNDERLYING LIMIT** means the per **Medical Incident** or Aggregate limit of liability set forth in Item 5 of the Declarations for all Underlying Insurance.

**UNDERLYING POLICY** means the policy scheduled in Item 5 of the Declarations or any policy of the same insurer replacing or renewing such policy.

\_\_\_\_\_  
President  
Puerto Rico Medical Defense Insurance Company

\_\_\_\_\_  
Secretary  
Puerto Rico Medical Defense Insurance Company

Countersigned by:

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Date

on 2/5/2020





## SCHEDULE OF ENDORSEMENTS

In consideration of the premium paid for this Policy, it is hereby understood and agreed that the following endorsements will form part of this policy:

### Mandatory Endorsements

- |                                |                                            |
|--------------------------------|--------------------------------------------|
| 1. PRMD – SED-E (01/2012)      | Schedule of Endorsements                   |
| 2. PRMD – Form E-102 (01/2012) | Mandatory Premium and Coverage Conditions  |
|                                | Endorsement Puerto Rico                    |
| 3. PRMD – Form E-103 (01/2012) | Continuous Renewal Endorsement             |
| 4. PRMD – Form E-109 (01/2012) | Acts of War/Terrorism Exclusion            |
| 5. PRMD – Form E-110 (01/2012) | Nuclear Energy Exclusion                   |
| 6. PRMD – Form E-114 (09/2013) | Official Mandatory Endorsement (Surcharge) |

All other terms and conditions of the Policy remain unchanged.

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Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

This endorsement is effective 2/5/2020.

Attached to and forming part of Policy No. PE- of the Puerto Rico Medical Defense Insurance Company.

By Authorized Representative: \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



#### 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: \_\_\_\_\_





## 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.

File No.:



## **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 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
- 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.



### ACTS OF WAR/TERRORISM EXCLUSION

In consideration of the premium charged or returned and the Insured's Representations and Acceptance included herein, and subject to all other policy provisions and conditions not amended herein, it is understood and agreed that the Policy to which this endorsement is attached and made to form part of, does not apply to any Claim, including Damages and Defense Expenses arising directly or indirectly from:

The liability of any Insured occasioned by, arising out of, or in the consequence of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- d. **Terrorism**, including any action taken in hindering or defendant against an actual or expected incident of **Terrorism**

Regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

However, with respect to **Terrorism** this exclusion only applies if one or more of the following are attributable to an incident of **Terrorism**:

1. The total insured damage to all types of property exceeds \$25,000,000.
2. Fifty or more persons sustain death or serious physician injury. For purpose of this provision, serious physical injury means:
  - a. Physician injury that involves a substantial risk of death;
  - b. Protracted and obvious physical disfigurement;
  - c. Protracted loss or impairment of the function of a bodily member of the organ; or;
3. The **Terrorism** involves the use, release, or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The **Terrorism** is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the **Terrorism** was to release such materials.

Paragraphs (1) and (2) immediately preceding, describe the thresholds used to measure the magnitude of an incident of **Terrorism** and the circumstances in which the threshold will apply for the purpose of determining whether the Terrorism Exclusion will apply to that incident. When the Terrorism Exclusion applies to an incident of **Terrorism**, there is no coverage.

In the event of any incident of **Terrorism** that is not subject to the Terrorism Exclusion, coverage does not apply to any **Damages** that are otherwise excluded under this Coverage Part.



### NUCLEAR ENERGY EXCLUSION

In consideration of the premium charged or returned and the Insured's Representations and Acceptance included herein, and subject to all other policy provisions and conditions not amended herein, it is understood and agreed that the Policy to which this endorsement is attached and made to form part of, does not apply to any Claim, including Damages and Defense Expenses arising directly or indirectly from:

a. The **Insured's** liability for **Bodily Injury**

- (1) with respect to which an **Insured** under this Policy is also an insured under a nuclear energy liability Policy issued by the Nuclear Energy Liability Insurance Association, 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:
  - (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
  - (ii) 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, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

b. The **Insured's** liability for **Bodily Injury** resulting from the hazardous properties of nuclear material, if:

- (1) the nuclear material
  - (i) is at any nuclear facility owned by, or operated by or on behalf of the **Insured**, or
  - (ii) 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 the **Insured**;
- (3) 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, but if such facility is located within the United States of America, its territories or possessions or



Canada, this Exclusion b. applies only to injury to or destruction of property at such nuclear facility.

Definitions applicable to this exclusion

- (1) **“hazardous properties”** includes radioactive, toxic or explosive properties;
- (2) **“nuclear material”** means source material, special nuclear material or by-product material;
- (3) **“source material” “special nuclear material”** and **“by-product material”** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (4) **“spent fuel”** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;
- (5) **“waste”** means any waste material:
  - (i) containing by-product material; and
  - (ii) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (1) or (ii) thereof;
- (6) **“nuclear facility”** means:
  - (i) any nuclear reactor;
  - (ii) any equipment or device designed or used for:
    - a) separating the isotopes of uranium or plutonium;
    - b) processing or utilizing spent fuel; or
    - c) handling, processing or packaging waste;
  - (iii) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at 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 of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
  - (iv) 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; and
- (7) **“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. With respect to injury to or destruction of property, the word **“injury”** or **“destruction”** includes all forms of radioactive contamination of property.





## **OFFICIAL MANDATORY ENDORSEMENT**

### **ISSUED PURSUANT TO SECTION 38.160 OF THE INSURANCE CODE OF PUERTO RICO**

### **RECOVERY OF ASSESSMENTS PAID TO THE PUERTO RICO PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION**

It is hereby understood and agreed that:

1. The total amount charged for this policy and any endorsement thereof includes, in addition to the premium, an amount determined by the Commissioner of Insurance of Puerto Rico for the purpose of recovering the unreimbursed assessments paid by the Company to the Puerto Rico Property and Casualty Insurance Guaranty Association.
2. The payment of the total amount referred to in item 1 above, or of the applicable amount under a payment plan pursuant to Rule XXIX of the Regulations of the Insurance OCde of Puerto Rico, is required for a personal policy to become effective.
3. The payment of the total amount referred to in item 1 above is required for a commercial policy to remain in force, as provided for under Rule LV of the Regulations of the Insurance Code of Puerto Rico.
4. The portion paid, but not yet earned, of the total amount referred to in item 1 above will be returned in the event this policy is canceled.