

**Corporation & Partnership
Professional Liability Application for
Claims Made Coverage**



I. – PRODUCER INFORMATION

Producer Name	Address	Telephone:
		Email Address:

II. – GENERAL APPLICANT INFORMATION

Name of Entity:	Contact Person:
Primary Business Address City State Zip	Office Phone:
	Email Address:
Preferred Mailing Address:	Website:
Type of Entity: <input type="checkbox"/> Corporation <input type="checkbox"/> Professional Association <input type="checkbox"/> Other (Please Explain): <input type="checkbox"/> Partnership <input type="checkbox"/> Joint Venture <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Governmental	

III. – LIMITS OF LIABILITY - Indicate Limits Desired

Each Claim: \$	Annual Aggregate: \$
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IV. – DEDUCTIBLE/SELF-INSURED RETENTION

Indicate Deductible Desired:	Is there a self-insured retention program? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> \$50,000 <input type="checkbox"/> \$500,000 <input type="checkbox"/> \$100,000 <input type="checkbox"/> Other: <input type="checkbox"/> \$250,000	Please indicate current/desired self-insured structure: Each Claim\$ Annual Aggregate\$

V. – COVERAGE INFORMATION

Requested Coverage Effective Date: Effective Date: _____ Expiration Date: _____

Claims Made Coverage Desired (please choose one of the below options)

<input type="checkbox"/> Claims Made Entity coverage including Entity Prior Acts only.	Entity Retroactive Date Desired: _____ The retroactive date is the date first continuously insured under a Claims Made policy.	A copy of the current <i>Declarations Page</i> illustrating the entity <i>Retroactive Date</i> is required to exercise this option.
<input type="checkbox"/> Claims Made Entity coverage without Prior Acts.	Please be sure to complete any supplemental <i>Oceanus</i> application related to services being offered by your organization.	
<input type="checkbox"/> Claims Made Entity coverage with Entity Prior Acts including primary coverage for active employed or contracted physicians.	Entity Retroactive Date Desired: _____ In order to exercise this option please complete an <i>Oceanus Physician/Surgeon Group Schedule</i> and include an <i>Oceanus Physician/Surgeon Group Member</i> application for each of your employed or contracted physicians. If applicable please designate all inactive physicians for which Prior Acts coverage is desired.	A copy of the current <i>Declarations Page</i> illustrating all <i>Retroactive Dates</i> including any related endorsements scheduling active or inactive employed or contracted physicians will be required to exercise this option.
<input type="checkbox"/> Claims Made Entity coverage without Prior Acts including primary coverage for active employed or contracted physicians excluding their Prior Acts.	Please complete an <i>Oceanus Physician Group Schedule</i> and include an <i>Oceanus Physician Group Member</i> application for each of your employed or contracted physicians for which coverage is desired.	

VI. – CURRENT PRACTICE STRUCTURE

Please list all other DBA's , affiliated entities or joint ventures associated with this Corporation/Partnership and indicate percentage of ownership.

Entity Name	City & State	County	Services Provided	% of Ownership
Entity Name	City & State	County	Services Provided	% of Ownership
Entity Name	City & State	County	Services Provided	% of Ownership
Entity Name	City & State	County	Services Provided	% of Ownership

If providing services at more than one location please completes the following.

Entity Name	City & State	County	Services Provided	% of Practice
Entity Name	City & State	County	Services Provided	% of Practice
Entity Name	City & State	County	Services Provided	% of Practice
Entity Name	City & State	County	Services Provided	% of Practice

Please complete the following section as it applies to the services being provided by your organization.

- | | | |
|---|--|--|
| <input type="checkbox"/> Office Practice | <input type="checkbox"/> Diagnostic Imaging | <input type="checkbox"/> Telemedicine |
| <input type="checkbox"/> Abortion Clinic | <input type="checkbox"/> Medical Spa | <input type="checkbox"/> Urgent Care |
| <input type="checkbox"/> Cancer Treatment | <input type="checkbox"/> Pharmacy | <input type="checkbox"/> Weight Loss Center |
| <input type="checkbox"/> Clinic | <input type="checkbox"/> Rehab/Pain Management | <input type="checkbox"/> Other (Please Explain): |
| <input type="checkbox"/> Dialysis | <input type="checkbox"/> Substance Abuse | |
| <input type="checkbox"/> Laboratory | <input type="checkbox"/> Surgical Center | |

Please complete the appropriate Oceanus supplemental application as it relates to services being provided.

Are there any services that you provide by contract to other entities? Yes No

If so, are you agreeing to indemnify these entities? (If yes please provide a copy of the contract) Yes No

Is office based surgery being performed:
If yes, please explain: Yes No

Please indicate the type of anesthesia administered. None General Regional

Is your organization equipped to handle emergency procedures (e.g. cardiac arrest)? Yes No

Does your organization or any of its subsidiaries participate in any experimental, investigational or other unconventional therapies including alternative medicine activities? Yes No

Does your organization or any of its subsidiaries participate in pharmaceutical testing programs/clinical investigation studies that are not FDA approved? Yes No

Does your organization or any of its subsidiaries contract to provide services to any federal or non-federal prison? Yes No

Does your organization or any of its subsidiaries contract to provide services to any nursing home or long term care facility? Yes No

Does your organization or any of its subsidiaries contract to provide teaching services or the supervision of residents or fellows? Yes No

Have there been any material changes in the nature and extent of your organization including but not limited to a material change in staff, changes or additions of subsidiaries or the addition or deletion of procedures within the last 5 years. Yes No

If yes, please attach a description of these changes.

VII. – RISK MANAGEMENT

Does your organization have a formalized Risk Management Program?

If yes, who coordinates this program:

Yes No

Name: _____ Title: _____

Is there a committee that performs quality reviews?

Yes No

Are medical record audits performed?

Yes No

Are medical records reviewed against specific outcome criteria on a regular basis (admissions to the acute care setting after being discharged, patients who return within a consistent amount of time with the same complaint)?

Yes No

If your organization includes more than one location are there common policies and procedures, risk management and quality assurance plans in place.

Yes No

Is there a written transfer agreement and protocols in place with a local hospital?

Yes No

Are there restrictions in place regarding telephone orders and advice without being seen by a physician?

Yes No

Are credentialing/hiring criteria applied consistently?

Yes No

During the credentialing/hiring process is primary source verification performed and subsequently performed every two years?

Yes No

Are background checks performed on all employees?

Yes No

Are current licenses kept on file?

Yes No

Are pending license suspensions or revocations, or any pending disciplinary actions verified?

Yes No

Do you require information on any professional liability or work related claims or suits that have previously been made against any individual during the credentialing/hiring process?

Yes No

Is historical professional liability claims or suits used as a criteria in the credentialing/hiring process?

If yes please explain how this information is applied to your decision:

Yes No

VIII – MEDICAL STAFF

Is coverage desired for your employed practitioners or independent contracted physicians?

If yes, please complete the *Oceanus Physician Group Schedule* and include an *Oceanus Physician and Surgeon Group Member* application for each practitioner.

Yes No

Is coverage desired for your employed mid-level healthcare extenders?

If yes, please complete the *Oceanus Employed Healthcare Extender Schedule* and include an *Oceanus Employed Healthcare Extender* application for each employee.

Yes No

IX. – COVERAGE HISTORY

Please provide Practice/Claims & Insurance history for a minimum of the last 10 years starting with most recent.

Our organization does not currently carry professional liability coverage.

Dates of Coverage	Insurer	Coverage Type	Tail Coverage Purchased	# of Pending Claims	# of Closed Claims	Total Claims	Premium
		<input type="checkbox"/> Occurrence <input type="checkbox"/> Claims Made	<input type="checkbox"/> Yes <input type="checkbox"/> No				
		<input type="checkbox"/> Occurrence <input type="checkbox"/> Claims Made	<input type="checkbox"/> Yes <input type="checkbox"/> No				
		<input type="checkbox"/> Occurrence <input type="checkbox"/> Claims Made	<input type="checkbox"/> Yes <input type="checkbox"/> No				

IX. – COVERAGE HISTORY (continued)		
If your coverage is currently Claims Made please indicate the coverage trigger associated with your most recent policy.	<input type="checkbox"/> Incident <input type="checkbox"/> Written Demand	<i>Contact your agent should you have any questions pertaining to the differences between an Incident or Written Demand claims made trigger.</i>
Have you ever experienced any gaps in your professional liability coverage? If yes, please attach a narrative outlining any gaps in coverage.		<input type="checkbox"/> Yes <input type="checkbox"/> No
Please attach a copy of your most recent declarations page and policy.		
Has an insurance company ever declined, failed to renew, conditionally renewed, restricted or cancelled your professional liability policy? If yes, please list below company, date and reason for this action.		<input type="checkbox"/> Yes <input type="checkbox"/> No
Company	Date	Reason
Company	Date	Reason
X. – CLAIMS INFORMATION		
Please note that the use of claim or suit in this application is defined as any demand for damages, resolved or pending, regardless of the result, arising from your professional activity and brought against you or any professional corporation.		
Are you now or have you ever been involved in a malpractice claim or suit , either directly or indirectly? If yes, please indicate the total number of claims and suits : _____		<input type="checkbox"/> Yes <input type="checkbox"/> No
Have all claims and suits been reported to your current or prior professional liability insurer? If no, please attach an explanation		<input type="checkbox"/> Yes <input type="checkbox"/> No
Please note that the use of potential claim in this application is defined as any circumstance which may have been brought to your attention by a patient or representative of a patient, in such a manner as to reasonably indicate the possibility of legal action against you or any professional corporation including but not limited to a patient requesting medical records, a letter from an attorney or an intent to pursue a claim or file a suit, or the apparent dissatisfaction of a patient or family member with the outcome of a procedure, treatment or diagnosis.		
Do you have knowledge of any potential claim in which you may become involved, including without limitation, knowledge of any alleged injury arising out of the rendering or failure to render professional services which may give rise to a claim or suit even if you believe the claim or suit would be without merit? If yes, please indicate the total number of potential claims : _____		<input type="checkbox"/> Yes <input type="checkbox"/> No
Have all potential claims been reported to your current or prior professional liability insurer? If no, please attach an explanation		<input type="checkbox"/> Yes <input type="checkbox"/> No
The completion of an Oceanus Claim Narrative Addendum is required for <i>each claim, suit or potential claim</i>		
XI. – PLEASE ATTACH A COPY OF THE FOLLOWING TO THIS APPLICATION		
<input type="checkbox"/> Organizational Chart		
<input type="checkbox"/> Minimum of 10 years loss history		
<input type="checkbox"/> Copy of Licenses as applicable		
<input type="checkbox"/> Copy of any accreditations		
<input type="checkbox"/> Written procedures for claims handling and risk management		
<input type="checkbox"/> Copy of brochures and marketing information		
<input type="checkbox"/> Schedule of Named Insureds with relationship to applicant		
<input type="checkbox"/> Financial statements for the last two years		
Self-insured Retention (SIR) Programs Only:		
<input type="checkbox"/> Copy of trust agreement		
<input type="checkbox"/> Financial statement of trust fund		
<input type="checkbox"/> Copy of current coverage wording		
<input type="checkbox"/> Most recent actuarial review supporting funding level		

XII. – PLEASE READ AND SIGN

I hereby declare that the above statements and particulars are true and that I have not knowingly suppressed or misstated any material facts and I agree that this application shall be the basis of the contract with the Company.

I agree to notify the Company if there is any future material change in any answer to this application, including without limitation, any change in my professional specialty, affiliation, or working arrangement with any other physician, firm, or professional association.

I UNDERSTAND AND AGREE THAT THE COMPLETION OF THIS APPLICATION TOGETHER WITH ANY PREMIUM OR FINANCING DOES NOT BIND THE COMPANY TO ISSUE NOR ME TO PURCHASE, A CONTRACT OF INSURANCE, PROVIDED HOWEVER, IF I AM ISSUED INSURANCE BY THE COMPANY AND I PURCHASE SUCH CONTRACT OF INSURANCE, I UNDERSTAND AND AGREE THAT ANY MATERIAL MISREPRESENTATION OR OMISSION BY ME IN THIS APPLICATION MAY ACT TO VOID SUCH CONTRACT OF INSURANCE AND GIVE THE COMPANY A RIGHT TO RESCIND SUCH CONTRACT.

I understand that the Company may wish to contact persons, hospitals, schools, employers, and other entities listed in this application to verify and/or ascertain information regarding my credentials and background both prior to and if issued, after the issuance of a contract of insurance. Therefore, I hereby instruct any such person, hospital, school, employer, or other entity to release to the Company any information regarding me, which the Company, in good faith, believes to be applicable and pertinent to this application and if issued, the contract of insurance issued hereunder.

I understand that the offering by the RRG is always subject to the Underwriting Committee’s review and approval.

Date Signed:	Signature:
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This Policy is issued by your risk retention group. Your risk retention group may not be subject to all insurance laws and regulations of your State. State insurance insolvency guaranty funds are not available for your risk retention group.

Please be sure to retain a complete copy of this document as it forms the basis of your relationship with the Company.

**OCEANUS INSURANCE COMPANY, A RISK RETENTION GROUP
JOINDER TO SHAREHOLDERS AGREEMENT**

THIS JOINDER is made and executed by the person whose name is set forth below at the signature block hereof ("Shareholder").

BACKGROUND: Shareholder wishes to become a shareholder of Oceanus Insurance Company, A Risk Retention Group, a South Carolina corporation (the "Company"). The Company and its shareholders (the "Shareholders") are parties to a Shareholders Agreement dated January 15, 2005 (the "Shareholders Agreement"). A condition to the Shareholder's becoming a shareholder in the Company is that he join into and become bound by the Shareholders Agreement. The Shareholder has previously received and reviewed the current copy of the Shareholders Agreement into which he is joining.

NOW, THEREFORE, with the intention of being legally bound, Shareholder hereby agrees to join into and become bound by all of the terms and provisions of the Shareholders Agreement and this Joinder which are applicable to him as one of the Shareholders, and hereby executes and delivers this Joinder to evidence the foregoing agreement.

ACKNOWLEDGMENTS: By executing this Joinder, Shareholder further acknowledges, accepts, and agrees to the following:

- The federal Liability Risk Retention Act of 1986, as amended, (the "Act") provides for the formation of risk retention groups with members of like exposures. In this case Oceanus insures the healthcare professional liability exposures of physicians and other skilled healthcare providers, each of whom is a shareholder of the Company.
- The Company is regulated in accordance with the Act and South Carolina law. The South Carolina Department of Insurance is the Company's principal governing regulatory authority. The Company will be registered and authorized to do business in any state in which it provides insurance coverage.
- A physician or skilled healthcare provider must be a shareholder of the Company in order to be eligible for the coverage provided by the Company. The Company will require each shareholder to purchase a specific number of shares in the Company in order to provide capital for the operations of the Company.
- Limits of liability provided are as stated in the policy of insurance issued to the shareholder/insured. Coverage is written on a claims-made basis.
- **A risk retention group is not subject to state guaranty funds. The Company is not required to pay assessments of any state guaranty fund, nor will the Company or its insured shareholders be able to rely on any state guaranty fund in the event the Company is unable to pay its claims. The Company, along with any reinsurance companies with which the Company may contract, is liable for covered losses.**
- The Company will contract with third party providers to provide typical insurance-related services to the Company, such as general management services in South Carolina, underwriting, claims administration, and risk management services. In addition, the Company will hire accountants, actuaries, and attorneys to perform services for and advise the Company.

IN WITNESS WHEREOF, the undersigned has executed this Joinder with an effective date as written below, being the date upon which the undersigned became a shareholder of the Company.


Print Name of Shareholder

Date of Joinder

_____(SEAL)
Signature of Shareholder

AGREED AND ACCEPTED:

OCEANUS INSURANCE COMPANY,
A RISK RETENTION GROUP

By: 
Name: Stewart Tetreault
Title: President

**SUBSCRIPTION AGREEMENT
OCEANUS INSURANCE COMPANY, A RISK RETENTION GROUP**

THIS SUBSCRIPTION AGREEMENT, is made as of the date below, by and between the subscriber whose name is set forth below (the "Purchaser"), and Oceanus Insurance Company, A Risk Retention Group, a corporation organized under the laws of the State of South Carolina ("Oceanus"). The parties, intending to be legally bound, hereby agree as follows:

1. **PURCHASE OF COMMON STOCK.** The Purchaser hereby purchases the number of shares of Common Stock (the "Stock") in Oceanus computed in accordance with the Oceanus Proposal for Membership and Insurance quoted to the Purchaser (the "Proposal") and the Shareholders Agreement. The Purchaser hereby simultaneously tenders one executed counterpart of a Joinder to Shareholders Agreement in the form prescribed by Oceanus. The Purchaser agrees within ten (10) days to tender the required subscription price, computed in accordance with the Proposal, by wire transfer or check to the order of "Oceanus Insurance Company, A Risk Retention Group". Failure to tender the subscription price shall render this subscription null and void.

2. **MEMBERSHIP IN RISK RETENTION GROUP.** By executing this Agreement, Purchaser is applying for membership in Oceanus Insurance Company, A Risk Retention Group, a South Carolina corporation ("Oceanus").

NOTICE

"The insurance policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your State. State insurance insolvency guaranty funds are not available for your risk retention group."

3. **PURCHASERS REPRESENTATIONS AND WARRANTIES.** The Purchaser makes the following representations and warranties with the intent that the same may be relied upon in determining its suitability to become a shareholder of Oceanus, and with the understanding that the availability of exemptions from registration of the sale may depend upon the accuracy of such representations and warranties.

(a) **Receipt of Satisfactory Information.** Oceanus has made available to the Purchaser and its advisors the opportunity to evaluate an investment in Oceanus, and to obtain additional information and to evaluate the merits and risks of this investment and to ask questions of, and receive satisfactory answers from, representatives of Oceanus concerning the terms and conditions of this investment.

(b) **Risk Factors.** The undersigned understands the risks involved in an investment in Oceanus. The undersigned recognizes that an investment in Oceanus is speculative and involves substantial risk of loss by it.

**THIS AGREEMENT IS SUBJECT TO MANDATORY ARBITRATION UNDER
THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, TITLE 15, CHAPTER
48 OF THE SOUTH CAROLINA CODE OF LAWS.**

(c) **Knowledge and Experience of Undersigned.** The undersigned represents that its knowledge and experience in financial and business matters in general are such that it is capable of evaluating the merits and risks of an investment in Oceanus.

(d) **Purchase for Insurance.** The Purchaser is purchasing the Stock as part of an insurance program, and for the sole purpose of obtaining insurance coverage which may be otherwise unavailable to Purchaser, and the Purchaser is not making this investment with the expectation of profiting from the operations of Oceanus.

(e) **No Liquidity.** The Purchaser recognizes that there will be no public market for the Stock and that the transferability of the Stock Interest is restricted.

(f) **No Guarantees.** The Purchaser acknowledges and agrees that no person or firm is promising or guaranteeing that the Purchaser will receive a return of its investment in Oceanus or a profit from its investment in Oceanus.

(g) **Documents.** Purchaser has received and read the Shareholders Agreement, the Joinder to Shareholders Agreement, and the Bylaws of Oceanus.

(h) **Eligibility Requirements.** Purchaser understands and agrees that he will be required to comply with the eligibility requirements set forth in the Bylaws of Oceanus as promulgated from time to time, and that his interest in Oceanus can be terminated at any time if the Board of Directors determines that he no longer satisfies the eligibility requirements set forth in the Bylaws.

SUBSCRIPTION AGREEMENT
OCEANUS INSURANCE COMPANY, A RISK RETENTION GROUP (continued)

(i) Dividends. Purchaser acknowledges that Oceanus may from time to time declare and pay shareholder dividends to Purchaser and to other shareholders of Oceanus, and Purchaser further acknowledges and agrees to the following:

(i) The amount, timing and payment of policyholder dividends is within the discretion of the Board of Directors of Oceanus.

(ii) Oceanus may elect to retain its profits rather than distribute them as shareholder dividends.

(iii) Any payment of shareholder dividends is not assured.

(iv) No shareholder dividends will be paid by Oceanus unless the Board of Directors determines that such payment is prudent and in the best interests of Oceanus and unless Oceanus shall be permitted to make such payment pursuant to South Carolina law.

(v) Shareholder dividends shall be declared and payable only from the profits of Oceanus as a whole, and shareholder dividends may not be paid to Purchaser even if Purchaser's individual results are profitable.

(j) Repurchase. Purchaser acknowledges and agrees that any repurchase of the Stock shall be governed by the Shareholders Agreement.

(k) Authority. The person(s) executing this Agreement on behalf of the Purchaser have the authority to execute this Agreement, without the necessity of additional signatories.

(l) Continuing Nature. The representations, warranties and agreements of the Purchaser set forth herein are continuing in nature and shall survive the acceptance of this Subscription Agreement and the execution of the Oceanus Joinder to Shareholders Agreement.

4. GOVERNING LAW. This Agreement shall be governed by the laws of South Carolina.

5. ALTERNATIVE DISPUTE RESOLUTION. All disputes, controversies, or claims arising out of, relating to, or in connection with this Agreement, or breach, termination or validity thereof, shall be finally settled by arbitration. The arbitration shall be governed by the South Carolina Uniform Arbitration Act, Section 15-48-10 et seq. of the South Carolina Code of Laws. There shall be three arbitrators with one chosen by the party making the demand for arbitration, one chosen by the party against whom demand is made and the third being chosen by those two chosen by the parties. The arbitration hearings shall take place in Charleston, South Carolina. The arbitrators shall notify the parties to be served personally, by certified mail, or by overnight mail not less than five days before the hearing. The hearing shall be conducted by all the arbitrators but a majority may determine any question and render a final award. The arbitrators shall determine questions of both law and fact. The award shall be in writing and signed by the arbitrators joining in the award. The arbitrators shall deliver a copy to each party personally, by certified mail, or by overnight mail. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Each party shall bear its own expenses and jointly and equally share with the other the expenses of proceeding.

6. MISCELLANEOUS.

(a) Notices. All notices, requests, demands or other communications provided for herein shall be in writing, shall be delivered by hand or by first-class mail postage prepaid and shall be addressed:

(i) If given by Purchaser, to Oceanus at its business address, or

(ii) If given by Oceanus, to the Purchaser's address as shown on the books and records of Oceanus.

(b) Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and cancels any other agreement, representation or communication, whether oral or written, between the parties relating to the transactions contemplated herein or the subject matter hereof. This Agreement may not be modified, amended or changed in any manner except in writing signed by all the parties hereto.

(c) Waiver. The failure of either party to require performance by the other party of any provision of this Agreement shall not be deemed a waiver of such provision and shall in no way affect the right to require such performance at any time thereafter.

SUBSCRIPTION AGREEMENT
OCEANUS INSURANCE COMPANY, A RISK RETENTION GROUP (continued)

(d) Successors. This Agreement and all of its provisions shall be binding upon and inure to the benefit of the Parties and their respective assigns and successors.

(e) Severability. In the event that any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Agreement. Each of the parties shall, at the request of the other Party, deliver to the requesting Party all further documents or other assurances as may reasonably be necessary or desirable in connection with this Agreement.

(f) Counterparts. This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

PURCHASER SIGNATURE:

By: _____

OCEANUS INSURANCE COMPANY,
A RISK RETENTION GROUP

By:  _____

Title: President _____