Physician and Surgeon
Professional Liability Application for
Claims Made Coverage

I. – PRODUCER INFORMATION

Producer Name	Address	Telephone:
		Email Address:

II. – GENERAL APPLICANT INFORMATION

Name of Applicant:				Social Security Number	Date of Birth
Residence Address	City	State	Zip	Office Phone:	
				Residence Phone:	
Preferred Mailing Address: ☐ Residence ☐ Primary Office				Email Address:	

III. – EDUCATION - Copy of C.V. is required

Medical School of Graduation (city, state, country)		Degree	Graduation Date
Name & Location of Internship		Name & Location of Residency	
If foreign medical school graduate, are you certified by the educational council for foreign medical graduates?	☐ Yes ☐ No	Month/Year residency or fellowship completed _____/_____	
Are you certified by an approved specialty board?	☐ Yes ☐ No	If so, list specialty and attach a copy of the certificate.	
Have you participated in any continuing medical education within the last three years?	☐ Yes ☐ No	If yes, how many category one credit hours? ______ Please attach a description or a copy of a certificate of completion.	

IV. – LIMITS OF LIABILITY - Indicate Limits Desired

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)

☐ Claims Made with Prior Acts	Retroactive Date Desired: ____________ The retroactive date is the date first continuously insured under a Claims Made policy.	A copy of your current *Declarations Page* illustrating your *Retroactive Date* is required to exercise this option.
☐ Claims Made without Prior Acts	Status of Prior Acts exposure: ☐ Current coverage provided on an Occurrence basis. *Oceanus does not offer Occurrence coverage.* ☐ An extended reporting endorsement (tail coverage) has been purchased. Please attach a copy of this document. ☐ An extended reporting endorsement (tail coverage) has not and will not be purchased. This option requires the completion of the below warranty.	Please contact your agent should you have any questions pertaining to the differences between Claims Made and Occurrence coverage, Prior Acts exposures or the additional expense associated with an "extended reporting endorsement" or "tail coverage".

I will not purchase an extended reporting endorsement (tail coverage) from my current carrier where I am insured under a claims made policy. I realize that my failure to purchase such coverage from my current carrier will result in an uninsured exposure for any claims which may arise in the future as a result of professional services rendered while insured by my current carrier's policy. I understand that the policy, which I purchase from Oceanus will not provide prior acts coverage.

Initial here: ☐

VI. – CURRENT PRACTICE STRUCTURE

☐ Individual
☐ Resident/Fellow
☐ Partnership/LLC
☐ Professional Corporation
☐ Solo Corporation
☐ Solo Corporation with employed or contracted physicians

Is corporate coverage desired? ☐ Yes ☐ No

Corporate limits structure desired? ☐ Shared ☐ Separate

Name of Solo Corporation/Corporation or Partnership:

Completion of the Oceanus Corporation & Partnership Application is required for all Professional Corporations and Partnerships.

Name of partner(s) or other members:

Please list any Physicians, Surgeons, or Certified Nurse Midwives you employ.

Name	Specialty	Surgery Performed		
		None	Minor	Major
		☐	☐	☐
		☐	☐	☐
		☐	☐	☐
		☐	☐	☐

Please list any of the following healthcare extenders which you employ.
Physician Assistant, Nurse Practitioner, Advance Practice Registered Nurse or Certified Registered Nurse Anesthetist.

Name	Job Title/Specialty	Coverage Desired*	Limit Structure Desired	
			Shared	Separate
		☐	☐	☐
		☐	☐	☐
		☐	☐	☐
		☐	☐	☐
		☐	☐	☐

**If coverage is desired for the above employees the completion of an Oceanus Employed Healthcare Extender Application is required.*

Does any one physician supervise more than two Certified Nurse Midwives, Physician Assistant, Nurse Practitioner, Advance Practice Registered Nurse or Certified Registered Nurse Anesthetist? ☐ Yes ☐ No

If yes, please submit a letter outlining practice guidelines

VII. – PRACTICE LOCATION(S)

Office Locations (List Primary Location First)

Address	City & State	Zip Code	County	% of Practice
Address	City & State	Zip Code	County	% of Practice
Address	City & State	Zip Code	County	% of Practice

Healthcare Facilities where you have medical staff or courtesy privileges (List Primary Location First)

Hospital	City & State	County	% of Practice	JCAHO Accredited? ☐ Yes ☐ No
Hospital	City & State	County	% of Practice	JCAHO Accredited? ☐ Yes ☐ No
Hospital	City & State	County	% of Practice	JCAHO Accredited? ☐ Yes ☐ No

VII. – PRACTICE LOCATION(S) (continued)

Previous Locations Of Practice (List most recent location first)

Address	City & State	County	From Month/Year	To Month/Year
Address	City & State	County	From Month/Year	To Month/Year

VIII. – MEDICAL LICENSING

Please list states in which you hold a license to practice medicine

State	License Number	% of Activities	Active	Inactive	Restricted	Revoked/Suspended
			☐	☐	☐	☐
State	License Number	% of Activities	☐	☐	☐	☐
State	License Number	% of Activities	☐	☐	☐	☐

Question	Answer
Have you ever been denied a medical license?	☐ Yes ☐ No
Has your medical license ever been restricted, suspended, voluntarily surrendered or revoked in any state?	☐ Yes ☐ No
Has your DEA certificate ever been restricted, suspended, voluntarily surrendered or revoked in any state?	☐ Yes ☐ No
Has a hospital ever brought complaints or actions against you such as restriction, suspension, revocation of privileges, or probation?	☐ Yes ☐ No
Have you ever been involved in or are you aware of any future involvement in an investigation by a regulatory or peer review board?	☐ Yes ☐ No
Have you ever had a complaint or claim brought against you for sexual misconduct?	☐ Yes ☐ No
Do you now or have you ever had any chronic physical limitation or any mental or emotional illness or disorder which impaired or could adversely affect your practice of medicine to any degree?	☐ Yes ☐ No
Have you ever been indicted and/or convicted of a crime other than a minor traffic violation?	☐ Yes ☐ No
Have you ever been suspended, restricted or put on probation by any governmental health program (e.g., Medicare or Medicaid)?	☐ Yes ☐ No
Do you know or have you ever had a drug or alcohol addiction or dependency or sought treatment for such?	☐ Yes ☐ No

If you answered yes to any of the above questions, you must provide a detailed written narrative.

IX. – PRACTICE ACTIVITIES

Please state your medical specialty:		Percentage of your practice:
If applicable please state your sub-specialty:		Percentage of your practice:

Select one of the following as applicable:

☐ No Surgery	Includes incision of boils and superficial abscess, or suturing of skin or superficial fascia. Does not include obstetrical procedures, prenatal care or the assisting in surgery.
☐ Minor Surgery	Includes any superficial surgical procedure involving little hazard to the life of the patient and does not involve anesthesia or respiratory assistance.
☐ Major Surgery	Includes operations in or upon any body cavity including but not limited to the cranium, thorax, abdomen or pelvis or any other operation which because of the condition of the patient or the length of the circumstances of the operation presents a distinct hazard of life.
☐ Assisting in Major Surgery	Includes the additional surgical assistance on the patients of others. If assisting, indicate the percentage of total practice spent assisting: _________% (Do not include if you occasionally assist on an emergency basis.)

IX. – PRACTICE ACTIVITIES (continued)

Please complete each section as applicable:

General Procedures

- ☐ Alternative/Holistic
- ☐ Angiography
- ☐ Angioplasty
- ☐ Appendectomies
- ☐ Arterial Catheterization
- ☐ Arteriography
- ☐ Biopsies
- ☐ Bronchoscopy
- ☐ Cardiac Catheterization
- ☐ Chelation Therapy
- ☐ Cholecystectomies
- ☐ Colonoscopy
- ☐ Cryosurgery
- ☐ Endoscopy
- ☐ Laparoscopic Cholecystectomies
- ☐ Laproscopy
- ☐ Laser Therapy
- ☐ LASIK
- ☐ Neonatology
- ☐ Pacemakers permanent
- ☐ Pacemakers temporary
- ☐ Paracentesis
- ☐ Thoracentesis
- ☐ Umbilical Catheterization
- ☐ Vein Stripping
- ☐ Venography

Gynecology

- ☐ Abortion
- ☐ Culdocentesis
- ☐ Dilation & Curettage
- ☐ Ectopic Pregnancy
- ☐ Hysterectomy
- ☐ In vitro fertilization

Dermatology, Plastic & Cosmetic

- ☐ Abdominoplasty
- ☐ Blepharoplasty
- ☐ Botox Injection
- ☐ Breast Augmentation
- ☐ Breast Reduction
- ☐ Chemical Peels
- ☐ Collagen Injections
- ☐ Dermabrasion
- ☐ Hair Transplant
- ☐ Liposuction
- ☐ Phalloplasty
- ☐ Rhinoplasty
- ☐ Silicone Injections
- ☐ Varicose Vein Treatment

Surgeons, please provide breakdown of surgical activities

- _______% Abdominal
- _______% Bariatric
- _______% Assisting in Bariatric
- _______% Cardiac
- _______% Colon/Rectal
- _______% General
- _______% Gynecology
- _______% Hand
- _______% Head/Neck
- _______% Laparoscopic Surgery
- _______% Laser Surgery
- _______% OB/GYN
- _______% Ophthalmology
- _______% Organ Transplants
- _______% Orthopedic (incl. spinal surgery)
- _______% Orthopedic (no spinal surgery)
- _______% Otorhinolaryngology
- _______% Otorhinolaryngology w/Plastic
- _______% Plastic
- _______% Sex Change Surgery
- _______% Thoracic
- _______% Traumatic
- _______% Urological
- _______% Vascular

Orthopedic & Neurosurgical Procedures

- ☐ Arthroscopy
- ☐ Cervical Laminectomies
- ☐ Anterior Cervical Laminectomies
- ☐ Arthrography
- ☐ Lumbar Laminectomies
- ☐ Pedicle Screw

Obstetrical Procedures

☐ Amniocentesis	☐ Prenatal Care
# of Vaginal deliveries:	# C-Sections:
# of VBACs:	# C-Section Assists:

Anesthesia & Pain Management

- ☐ Spinal
- ☐ Caudal
- ☐ General
- ☐ Local
- ☐ Conscious Sedation
- ☐ Acupuncture
- ☐ Facet Blocks
- ☐ Nerve Blocks
- ☐ Nerve Block (spinal)
- ☐ Medication Only
- ☐ Implantation/Removal of Drug Infused Pumps
- ☐ Other: ___________________________________

Radiology

☐ Diagnostic Only	Includes the interpretation of images to aid in the diagnosis or prognosis of disease.
☐ Interventional Radiology	Includes minimally invasive procedures performed using image guidance such as an *angiogram* and also includes procedures done for treatment purposes such as an *angioplasty*.
☐ Mammography	Examination of the human breast.

IX. – PRACTICE ACTIVITIES (continued)

Please complete the following:

Average weekly patient load: __________ Number of direct patient care hours per week: __________

Average weekly walk-in patients: __________ Number of surgical procedures per week: __________

Do you practice less than 21 hours in direct patient care services? ☐ Yes ☐ No
If yes, how many consecutive years have you been practicing under 21 hours: ________

Do you perform surgery in your office? ☐ Yes ☐ No
If yes, please attach a list of these procedures.

Do you treat or review the treatment of prison inmates? ☐ Yes ☐ No
If yes, please provide percentage of practice: _________%

Do you treat or review the treatment of professional athletes? ☐ Yes ☐ No
If yes, please provide percentage of practice: _________%

Do you treat patients in any nursing home, skilled nursing facility or assisted living center? ☐ Yes ☐ No
If yes, please provide percentage of practice: _________%

Do you participate in any medical research, clinical trials or off-label use of drugs or devices? ☐ Yes ☐ No
If yes, please attach a description of these activities and provide copies of any protocols and informed consent documents.

Do you or have you ever participated in any weight control treatment including but not limited to the prescribing of anorectic drugs? ☐ Yes ☐ No
If yes, please attach a description of all current and prior weight control activities.

Do you perform consultations, render medical services, medical opinions, or give medical advice outside the state of your primary office locations, including but not limited to telemedicine, internet medicine or the interpretation of films, slides or specimens? ☐ Yes ☐ No
If yes, please attach a description of activities, percentage of activity and state licensure.

Do you have or have you ever had any Medical Director responsibilities? ☐ Yes ☐ No

If yes, does the facility provide you with coverage for your administrative responsibilities? ☐ Yes ☐ No

Please be advised that Oceanus does not provide coverage for any liability assumed solely as your role as medical director of any facility.

Are you employed full time or part time by the federal, state, or local government, or are you on active military duty? ☐ Yes ☐ No
If yes, please attach an explanation of your employment.

Do you serve in a hospital emergency room for which you require coverage? ☐ Yes ☐ No
If yes, please provide the number of hours per month: __________

Do you perform any activities not routinely performed by other physicians practicing in your specialty or sub-specialty? ☐ Yes ☐ No
If yes, please explain:____

Have there been any changes in your specialty or practice activities including but not limited to a material change in number of hours per week, changes or additions of an entity name, the addition or deletion of procedures within the last 5 years. ☐ Yes ☐ No
If yes, please attach a description of these changes.

Will you be performing activities which will be covered by another professional liability policy? ☐ Yes ☐ No
If yes, please complete the following:

Practice Name: ________________________

Practice Activities: ________________________ Name of Carrier: ______________

X. – COVERAGE HISTORY

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

☐ I do not currently carry professional liability coverage.

Dates of Coverage	Insurer	Coverage Type	Tail Coverage Purchased	# of Pending Claims	# of Closed Claims	Total Claims	Premium
		☐ Occurrence ☐ Claims Made	☐ Yes ☐ No				
		☐ Occurrence ☐ Claims Made	☐ Yes ☐ No				
		☐ Occurrence ☐ Claims Made	☐ Yes ☐ No				
		☐ Occurrence ☐ Claims Made	☐ Yes ☐ No				

If your coverage is currently Claims Made please indicate the coverage trigger associated with your most recent policy.	☐ Incident ☐ Written Demand	*Contact your agent should you have any questions pertaining to the differences between an Incident or Written Demand claims made trigger.*

Have you ever experienced any gaps in your professional liability coverage? If yes, please attach a narrative outlining any gaps in coverage.	☐ Yes ☐ 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.	☐ Yes ☐ No

Company	Date	Reason
Company	Date	Reason

XI. – 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**:________	☐ Yes ☐ No
Have all **claims** and **suits** been reported to your current or prior professional liability insurer? If no, please attach an explanation	☐ Yes ☐ 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**: ________	☐ Yes ☐ No
Have all **potential claims** been reported to your current or prior professional liability insurer? If no, please attach an explanation	☐ Yes ☐ No

The completion of an Oceanus Claim Narrative Addendum is required for *each claim*, *suit* or *potential claim*.

XI. – CLAIMS INFORMATION (continued)

Have you ever had an adverse outcome that has or may have resulted in the following:

The death of a patient.	☐ Yes ☐ No
The neurological, sensory, or systemic deficits of a patient including but not limited to brain damage, permanent paralysis, loss of sight or hearing.	☐ Yes ☐ No
The permanent damage related to an injury during delivery of a child or administration of anesthesia.	☐ Yes ☐ No
The limitation on a patient's daily living activities including but not limited to the loss of a limb.	☐ Yes ☐ No
The failure to diagnosis cancer.	☐ Yes ☐ No

XII. – PLEASE ATTACH A COPY OF THE FOLLWING TO THIS APPLICATION

- ☐ Copy of current Declaration Page
- ☐ Curriculum Vitae (C.V.) for each physician
- ☐ Loss Runs from all carriers for the prior 10 years.
- ☐ A narrative of all past claims using the Oceanus Claim narrative Addendum.
- ☐ Copies of each physician's license to practice and board certification
- ☐ Completed Oceanus Corporation & Partnership application, if applicable
- ☐ Completed Oceanus Employed Healthcare Extender application, if applicable

XIII. – 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:

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.

OCEANUS INSURANCE COMPANY, A RISK RETENTION GROUP
JOINDER TO SHAREHOLDERS AGGREEMENT

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.

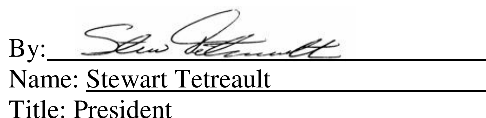
____
Print Name of Shareholder

____
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.

(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.

(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 SIGNITURE:

By: ________________________________

OCEANUS INSURANCE COMPANY,
A RISK RETENTION GROUP

By:

Title: President