

OMIC PROFESSIONAL AND LIMITED OFFICE PREMISES LIABILITY INSURANCE POLICY UPDATE INSERT

The following changes to the September 1, 2013, OMIC Professional and Limited Office Premises Liability Insurance policy are effective January 1, 2015.

SECTION VII. ADDITIONAL BENEFITS

B. Broad Regulatory Protection

Coverage Limit. The most OMIC will reimburse per Insured for *legal expenses, audit expenses, and fines or penalties* for any one *regulatory proceeding* and in the aggregate for all *regulatory proceedings instituted* during a **policy period** is ~~\$100,000~~\$50,000. Any **extended reporting period** does not increase the limit; it is shared with the prior **policy period**. The Additional Benefit pertaining to any *disciplinary proceedings* or *regulatory proceedings* arising out of the same event(s) is afforded either under Subsection VII.A. or VII.B., but not both, and only one limit applies. The Additional Benefit pertaining to any *HIPAA proceedings* or *claims* arising out of the same event(s) is afforded either under Subsection VII.B or VII.C, but not both, and only one limit applies (Subsection VII.C. limits are a sub-limit of Subsection VII.B. limits, regardless). OMIC has the sole discretion to determine which coverage provision applies in any event.

C. e-MD™ Protection

40. **Security and privacy wrongful act** means any of the below, whether actual or alleged, but only if committed or alleged~~ly~~ committed by an **Insured**:

Coverage Limit. The most OMIC will pay per Insured for any one *claim* and in the aggregate for all *claims* made during a **policy period** is ~~\$100,000~~\$50,000, regardless of the number of insuring agreements or *claims* made. Any **extended reporting period** does not increase the limit; it is shared with the prior **policy period**. Any payment under this Section VII.C. is a sub-limit of, and reduces the benefits payable under, Section VII.B. Broad Regulatory Protection. The Additional Benefit pertaining to any *HIPAA proceedings* or *claims* arising out of the same event(s) is afforded either under Subsection VII.B. or VII.C., but not both, and only one limit applies (Subsection VII.C. limits are a sub-limit of Subsection VII.B. limits, regardless). OMIC has the sole discretion to determine which coverage provision applies in any event.

SECTION XI. ENDORSEMENTS

PART II – ENDORSEMENTS APPLIED AUTOMATICALLY

OMC121A – Coverage Classification Endorsement – Ophthalmology – Surgery Class 2

*This endorsement incorporates endorsements OMC121B and OMC122 and automatically applies to all Insureds whose class is identified in the **Declarations** as Ophthalmology – Surgery Class 2.*

OMIC and the Insured agree that the policy is amended as follows: The following exclusion is added to Section II. Coverage Agreement A, Part III – Exclusions, A. No Defense or Payment of Damages or Supplementary Payments:

the performance of any surgical procedures, except for the following surgical procedures permitted in Surgery Class 2: laser capsulotomy, laser iridotomy, laser iridectomy, laser iridoplasty, laser punctal closure, punctal closure with cautery, laser trabeculoplasty, wedge resection for suspected non-cancerous tumors, canthotomy/cantholysis (without tarsal strip fixation or other suturing), suture tarsorrhaphy, marginal adhesion tarsorrhaphy without incision into the tarsus, laser ablation of corneal lesions, cautery for conjunctivochalasis, temporal artery biopsy, skin rejuvenation/tightening using non-invasive, non-ablative techniques, blue light acne treatment (with or without use of photodynamic therapy), non-invasive cellulite reduction, non-invasive lipolysis, depression of the posterior paracentesis site, periocular injections, periorbital injections, peribulbar injections, retrobulbar injections, and sub-Tenons injections; and the additional surgical procedures permitted in Surgery Class 1 as described in OMC121B. Coverage applies only to the surgical procedures listed above; assisting in surgery; and non-surgical ophthalmology as described in OMC122.

OMC121B – Coverage Classification Endorsement – Ophthalmology – Surgery Class 1

*This **endorsement** incorporates endorsement OMC122 and automatically applies to all **Insureds** whose class is identified in the **Declarations** as **Ophthalmology – Surgery Class 1**.*

OMIC and the **Insured** agree that the policy is amended as follows: The following exclusion is added to Section II. Coverage Agreement A, Part III – Exclusions, A. No Defense or Payment of **Damages** or Supplementary Payments:

the performance of any surgical assisting or surgical procedures, except for the following surgical procedures permitted in Surgery Class 1: removal of sutures, fluorescein angiography, tear duct probing or irrigation done under local anesthetic, repair of minor lid lacerations limited to the skin and/or muscle, repair of minor conjunctival lacerations, biopsy of lid tumors, biopsy of the conjunctiva, removal of cysts and other suspected non-cancerous skin lesions and tumors, removal of corneal epithelium, incision and drainage, implantation of eye jewelry, laser hair removal, electrical epilation, photo-epilation, hair removal using radio frequency/light energies, intramuscular injections, intravenous injections, subconjunctival injections, injection of Botox botulinum toxin or collagen and other fillers, stromal puncture, micropigmentation, superficial chemical peels limited to the epidermis, microdermabrasion, removal of papillomas and chalazions, cryotherapy of the lid, thermal pulsation therapy for chronic cystic conditions of the eyelids, and non-incisional entropion or ectropion repair. Coverage applies only to the surgical procedures listed above and non-surgical ophthalmology as described in OMC122.

OMC162 – Terrorism Insurance Coverage Endorsement

*This **endorsement** automatically applies to all **Insureds**.*

Coverage is included in the policy for otherwise insured **damages** arising out of certified acts of terrorism. The ~~definition of an act of terrorism has been changed pursuant to the~~ Terrorism Risk Insurance ~~Program Reauthorization Act of 2007 to mean, including all amendments (“TRIA”), defines an act of terrorism as~~ any act that is certified by the Secretary of the Treasury, in concurrency consultation with the Secretary of State Homeland Security, and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any **damages** otherwise insured under the policy caused by certified acts of terrorism may be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States generally reimburses 85% through 2015,

84% beginning on January 1, 2016, 83% beginning on January 1, 2017, 82% beginning on January 1, 2018, 81% beginning on January 1, 2019, and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. ~~The Terrorism Risk Insurance Act, as amended, No compensation will be paid under TRIA unless the aggregate industry insured losses resulting from certified acts of terrorism exceed \$100 million with respect to such insured losses occurring in calendar year 2015, \$120 million for calendar year 2016 losses, \$140 million for calendar year 2017 losses, \$160 million for calendar year 2018 losses, \$180 million for calendar year 2019 losses, and \$200 million for calendar year 2020 losses.~~ TRIA contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, **Insureds'** coverage may be reduced. The portion of **Insureds'** annual premium that is attributable to coverage for acts of terrorism is \$0 and does not include any charges for the portion of loss that may be covered by the ~~Federal~~**U.S.** Government under ~~the Act~~**TRIA.**

~~The Terrorism Risk Insurance Act, as amended on December 26, 2007, TRIA~~ and this Endorsement only affect coverage in the policy for otherwise insured **damages** relating to certified acts of terrorism. All other terms and conditions of the policy, including applicable limits and deductibles, are not affected and still apply to **Insureds'** coverage under the policy.

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The following changes to the September 1, 2013 (as amended effective January 1, 2015), OMIC Professional and Limited Office Premises Liability Insurance policy are effective May 2, 2015.

SECTION II. COVERAGE AGREEMENTS

COVERAGE AGREEMENT A: PROFESSIONAL LIABILITY COVERAGE FOR OPHTHALMOLOGISTS

PART III – EXCLUSIONS: COVERAGE AGREEMENT A

A. No Defense or Payment of Damages or Supplementary Payments

3. Specific Procedures. The performance of any of the following procedures (which may be within the ordinary and customary scope of practice of ophthalmologists), unless specifically covered by **endorsement**: (a) harvest of an extensor tendon from the foot, ~~(b) harvest of a rib graft,~~ ~~(bc)~~ micropigmentation of the breast, ~~(d) placement of arch bars on teeth,~~ ~~(ce)~~ rhinoplasty (including septoplasty), ~~(f) genioplasty,~~ ~~(g) mentoplasty,~~ ~~(dh)~~ full facelifts for cosmetic purposes (including genioplasty, mentoplasty, and chin implants), ~~(ei)~~ liposuction, ~~(fj)~~ refractive surgery, and ~~(gk)~~ any lipodissolve, mesotherapy, or similar procedure, or related care or treatment, unless approved by the FDA or performed as part of an investigational drug trial under an American IRB-approved protocol;

~~**4. Specific Procedures – Not to Treat Eye Conditions/Diseases.** The performance of any of the following procedures (which may be within the ordinary and customary scope of practice of ophthalmologists), unless performed to treat an ophthalmic condition or disease: (a) endoscopic sinus surgery, (b) facial reanimation, (c) harvest of a bone graft, (d) harvest of ear cartilage, and (e) septoplasty.~~

SECTION XI. ENDORSEMENTS

PART I – ENDORSEMENTS APPLIED MANUALLY

OMC132G – Modification of Exclusion – Full Facelifts for Cosmetic Purposes

OMIC and the **Insured** agree that the policy is amended as follows: Section II. Coverage Agreement A, Part III – Exclusions, A. No Defense or Payment of **Damages** or Supplementary Payments, 3. Specific Procedures (h) does not apply with respect to full facelifts for cosmetic purposes performed within **OMIC's** underwriting requirements or any exceptions to the requirements granted in writing by **OMIC**. For purposes of this endorsement, full facelifts for cosmetic purposes includes genioplasty, mentoplasty, and chin implants.

OMC132M – Modification of Exclusion – Rhinoplasty

OMIC and the **Insured** agree that the policy is amended as follows: Section II. Coverage Agreement A, Part III – Exclusions, A. No Defense or Payment of **Damages** or Supplementary Payments, 3. Specific Procedures (c) does not apply with respect to rhinoplasty performed within **OMIC's** underwriting requirements or any exceptions to the requirements granted in writing by **OMIC**. For purposes of this endorsement, rhinoplasty includes septoplasty.

PART II – ENDORSEMENTS APPLIED AUTOMATICALLY

OMC121B – Coverage Classification Endorsement – Ophthalmology – Surgery Class 1

*This **endorsement** incorporates endorsement OMC122 and automatically applies to all **Insureds** whose class is identified in the **Declarations** as Ophthalmology – Surgery Class 1.*

OMIC and the **Insured** agree that the policy is amended as follows: The following exclusion is added to Section II. Coverage Agreement A, Part III – Exclusions, A. No Defense or Payment of **Damages** or Supplementary Payments:

the performance of any surgical assisting or surgical procedures, except for the following surgical procedures permitted in Surgery Class 1: removal of sutures, fluorescein angiography, tear duct probing or irrigation done under local anesthetic, repair of minor lid lacerations limited to the skin and/or muscle, repair of minor conjunctival lacerations, biopsy of lid tumors, biopsy of the conjunctiva, removal of cysts and other suspected non-cancerous skin lesions and tumors, removal of corneal epithelium, incision and drainage, implantation of eye jewelry, laser hair removal, electrical epilation, photo-epilation, hair removal using radio frequency/light energies, intramuscular injections, intravenous injections, subconjunctival injections, injection of botulinum toxin or collagen and other fillers, stromal puncture, micropigmentation, superficial chemical peels limited to the epidermis, microdermabrasion, removal of papillomas and chalazions, cryotherapy of the lid, thermal pulsation therapy for chronic cystic conditions of the eyelids, ~~and~~ non-incisional entropion or ectropion repair, and percutaneous skin scratch testing and sublingual immunotherapy (SLIT) for the treatment of ocular allergies. Coverage applies only to the surgical procedures listed above and non-surgical ophthalmology as described in OMC122.

OMC122 – Coverage Classification Endorsement – Ophthalmology – No Surgery

*This **endorsement** automatically applies to all **Insureds** whose class is identified in the **Declarations** as **Ophthalmology – No Surgery**.*

OMIC and the **Insured** agree that the policy is amended as follows: The following exclusion is added to Section II. Coverage Agreement A, Part III – Exclusions, A. No Defense or Payment of **Damages** or **Supplementary Payments**:

the performance of any surgical assisting or surgical procedures. Coverage applies only to non-surgical ophthalmology, which includes the diagnosis and non-surgical treatment of diseases (other than screening for or treating retinopathy of prematurity), prescription of glasses or contact lenses, mechanical epilation, adult diagnostic canalicular probing or irrigation under topical anesthesia, punctal closure with plugs, and removal of superficial foreign bodies from the cornea and conjunctiva.

Insert date: July 15, 2015