



BILLING ERRORS AND OMISSIONS COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under:

GENERAL TERMS AND CONDITIONS PROFESSIONAL LIABILITY COVERAGE PART

In consideration of the premium, the policy is amended as follows:

- I. Solely with respect to this endorsement, the General Terms and Conditions are amended to add the following to the exclusion entitled Billing or Collection set forth in Section IV, Exclusions Applicable To All Coverage Parts:

Provided this exclusion will not apply to coverage under the Billing Errors and Omissions Insuring Agreement.

- II. The Professional Liability Coverage Part is amended as follows:

- A. Section I, Insuring Agreement is amended to add the following:

BILLING ERRORS AND OMISSIONS COVERAGE

1. We will pay those sums which you become legally obligated to pay as **billing damages** resulting from a **billing claim** to which this insurance applies. We will have the right and duty to defend you against any **billing claim** seeking those **billing damages**. However, we will have no duty to defend you against any **billing claim** seeking **billing damages** because of a **billing wrongful act** to which this insurance does not apply. We may, at our discretion, investigate any potential **billing claim** that may result from a **billing wrongful act**. We may, with the **named insured's** written consent, settle any potential **billing claim** or **billing claim** that may result. But:
 - a. The amount we will pay for **billing damages** and **billing defense costs** is limited as described in paragraph D below;
 - b. The coverage and duty to defend provided by this policy will end when we have used up the applicable Billing Limits of Liability for any combination of **billing defense costs** and/or **billing damages**.
2. This insurance applies to **billing wrongful acts** only if:
 - a. The **billing wrongful act** did not commence before the **retroactive date**, if any, shown in the Declarations or after the end of the **policy period**; and
 - b. A **billing claim** is first made against you during the **policy period**, in accordance with paragraphs 3 and 4 below.
3. A **billing claim** will be deemed to have been made at the earlier of the following times:
 - a. When notice of such **billing claim**, after being received by you, is reported to us in writing; or
 - b. When a **billing claim** against you is made directly to us in writing.

A **billing claim** received by you during the **policy period** and reported to us within thirty (30) days after the end of the **policy period** will be considered to have been reported within the **policy period**. However, this thirty (30) day grace period does not apply to **billing claims** that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such **billing claims**.



4. If during the **policy period** you become aware of a **billing wrongful act** that may reasonably be expected to give rise to a **billing claim** against you, you must provide notice to us during the **policy period**. If such notice is provided, then any **billing claim** subsequently made against you arising out of that **billing wrongful act** will be deemed under this policy to be a **claim** made during the **policy period** in which such **billing wrongful act** was first reported to us.

B. Solely with respect to the coverage provided by this endorsement, Section III, Coverage Part Definitions is amended to add the following new definitions:

- **Billing Claim** means:

1. a demand for money or services, brought by or on behalf of any **government entity** or commercial payor against you seeking **billing damages** for a **billing wrongful act**;
2. the commencing of an audit or investigation of a **billing wrongful act**; or
3. a demand seeking injunctive relief on account of a **billing wrongful act**.

Billing Claim does not include:

1. any customary or routine audit/reconciliation conducted by or at the behest of a **government entity** or commercial payor; or
2. any criminal proceeding against you.

- **Billing defense costs** mean:

1. reasonable and necessary fees, costs, and expenses charged by an attorney, chosen by us, or auditor chosen by the **named insured** with our written consent, to defend you against a **billing claim**; or
2. other reasonable and necessary fees, costs or expenses incurred in the investigation, adjustment, defense and appeal of a **billing claim** to which this endorsement applies if incurred by the **named insured** with our written consent.

Billing defense costs do not include:

1. return or restitution of fees, profits, charges or benefit payments;
2. remuneration, salaries, wages, overhead, fees or benefits of any of you;
3. expenses incurred in defense of criminal proceedings; or
4. the costs associated with implementation of any corporate integrity program or compliance program or required modifications in business operations or procedures including any programs or modifications mandated as a result of a **billing claim**.

- **Billing damages** mean any monetary amount not exceeding the Billing Limit of Liability applicable to this endorsement which you are legally obligated to pay as a result of a **billing claim**, including sums paid as awards, judgments, settlements and, to the extent insurable, civil fines and penalties imposed by a **government entity**.

Billing damages do not include the return or restitution of fees, profits, charges or benefit payments to any commercial payor or governmental health benefit payor or program.



- **Government entity** means:
 1. any department, agency, task force or other organization created by any federal, state or local law, executive order, ordinance or rule; or
 2. any department, agency, task force or other organization operated, funded or staffed, in whole or in part, by the federal or any state, county or local government.
- **Billing wrongful act** means presenting, causing or allowing to be presented or being liable for the presentation of any actual or alleged erroneous **billing claim** by you to a commercial payor or government health benefit payor or program from which you seek payment or reimbursement for **professional services** provided or prescribed by you.
- **Related billing claims** mean all **billing claims** arising out of: (i) a single **billing wrongful act**; or (ii) **related billing wrongful acts**. All **related billing claims** will be deemed a single **billing claim**.
- **Related billing wrongful acts** mean all **billing wrongful acts** that are based on, arising out of, or are logically or causally connected by the same, or any related or common, or a series of related or common, facts, circumstances, transactions, situations, events, advice or decisions regardless of the number of **insureds** or claimants involved.

C. Solely with respect to the coverage provided by this endorsement, Section IV, Exclusions Applicable To The Professional Liability Coverage Part is amended to add the following new exclusions:

This Coverage Part does not apply to any **billing claim**:

- based on, or arising out of, a **wrongful act** that is not a **billing wrongful act**;
- based on, or arising out of, any criminal act, error or omission, committed by you, including the willful or reckless violation of any statute;
- based on, or arising out of, the conduct of any corporation, partnership, partner, joint venture or any other business entity of which you are involved and which is not designated as an **insured** on this policy;
- based on, or arising out of, any profit or advantage gained by you to which you were not in fact entitled.

D. Solely with respect to the coverage provided by this endorsement, Section V, Coverage Part Limits of Liability and Related Claims is deleted and replaced with the following:

- (i) The Billing Limit of Liability shown in the Declarations is the most we will pay regardless of the number of:
 - a. **insureds**;
 - b. **billing claims**; or
 - c. persons, entities, or **government entities** making **billing claims**.
- (ii) The Billing Limit of Liability shown in the Declarations is the most we will pay for the sum of:
 - i. **All billing damages**; and



ii. **All billing defense costs**

because of all **billing claims** and all **billing wrongful acts** to which this insurance applies.

- (iii) The Billing Limit of Liability of this endorsement applies separately to each consecutive annual policy period and to any remaining policy period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Billing Limits of Liability.
- (iv) **Related Billing Claims**
All **related billing claims** will be treated as one **claim** first made on the date the first of such **related billing claims** was first made or deemed made.
- (v) We have the right to negotiate and settle any **billing claim**. We will not settle any **billing claim** without your written consent.
- (vi) The Billing Limit of Liability will be in addition to the PL Limits of Liability.
- (vii) The Professional Liability Deductible amounts, if any, set forth on the Declarations do not apply to coverage under this endorsement.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.