

MEDICAL MALPRACTICE POLICY

INSURING AGREEMENT

WHEREAS the Insured carrying on the Occupation stated in the Schedule and no other for the purpose of this Insurance has by a proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein applied to the Insurer for the indemnity hereinafter contained and has paid or agreed to pay the first premium as consideration for such indemnity.

Subject to the terms, limits, exclusions and other conditions contained in this policy and schedule, the Insurer agrees to indemnify the Insured, but not exceeding the aggregate limit stated in the schedule:

1. up to the limit of indemnity stated in the schedule for any sum which the Insured may become legally liable to pay arising from any claim being first made in writing against him during the policy period stated in the schedule arising out of bodily injury or death of any patient caused by or alleged to have been caused by error, omission or negligence in professional services rendered or which should have been rendered (hereinafter referred to as malpractice) by the Insured or his qualified employees during the policy period (and retroactive period, if any);
2. the costs and expenses incurred with the Insurer's written prior consent in the defence and/or settlement of any claim. However, if a payment in excess of the limit of indemnity available under this insurance has to be made to dispose of a claim, the Insurer's liability in respect of such costs and expenses incurred shall be in the same proportion as the limit of the indemnity available under this insurance to the total amount paid to dispose of the claim.

PROVIDED THAT

The indemnity provided by this policy is restricted to apply only in respect of:

- a) compensation resulting from judgement rendered by or obtained from the court of competent jurisdiction in the Kingdom of Saudi Arabia
- b) charges, expenses and legal costs incurred and recoverable in the Kingdom of Saudi Arabia

LIMITS OF INDEMNITY

Any one Claim

The liability of the Insurer for all compensation costs and expenses payable to any claimant or number of claimants in respect of any one occurrence shall not exceed the sum stated in the schedule as the limit of indemnity for any one claim.

For purposes of determining the limit of the Insurer's liability all claims

- arising from one specific common cause but leading to bodily injury of more than one patient
- made against more than one insured person in connection with one and the same loss

Shall be considered to be one claim. The respective date of loss shall be deemed to be the date when the first claim is made in writing against the Insured.

3. Aggregate Limit

The liability of the Insurer for all compensation costs and expenses payable in respect of all claims made during any one policy period shall not exceed the aggregate limit as stated in the schedule.

INSURED'S DEDUCTIBLE

Provided always that the Insurer is liable, in respect of each and every claim hereunder, only for that part of the claim (which for the purpose of this clause shall be deemed to include all costs and expenses incurred by the Insurer investigating and defending the claim) which exceeds the Insureds deductible stated in the schedule; it being understood and agreed that if any expenditure is incurred by the Insurer which, by virtue of this clause, is the responsibility of the Insured, then such amount shall be reimbursed forthwith to the Insurer by the Insured on demand.

RETROACTIVE DATE

Where a retroactive date is specified in the schedule, this insurance does not apply to claims made against the Insured by reason of any negligent act, error or omission committed, occurred or alleged to have been committed or occurred prior to the said retroactive date.

EXCLUSIONS

This policy shall not cover any claim or claims arising out of:

1. any services performed beyond the scope of professional services, treatments, advices typically rendered as a physician/doctor under Kingdom of Saudi Arabia legislation, ethical codes and rules;
2. medical services rendered unless of diagnostic or therapeutic reasons; in case of plastic/aesthetic surgery cover is only granted for reconstructive surgery as a necessary consequence of accident and/or congenital deformation;
3. treatments/services rendered to provoke/avoid gravidity/procreation, including operations to produce sterility, in-vitro-fertilization and/or abortions and (consequential) financial losses arising out of above mentioned activities (e.g. the obligation to pay maintenance);
4. bodily injury (including emotional distress or mental trauma or phobia), loss or damage which is actually or allegedly caused by, contributed to by or in any way related to Acquired Immune Deficiency Syndrome (AIDS) or its pathogenic agents or hepatitis;
5. the operation of blood banks except where these are purely providing blood or blood products for the herewith Insured operations;
6. genetic damages/manipulation;
7. the use of drugs for weight reduction;
8. the performance by dentists and dental surgeons of:
 - a) general anaesthesia or
 - b) any procedure carried out under general anaesthesia

9. services rendered while under the influence of intoxicants or narcotics;
10. any intentional, dishonest, malicious, criminal or illegal act of the Insured or his employees;
11. damages of whatsoever nature directly or indirectly caused by or contributed to or arising from ionizing radiation or contamination by radioactivity;
12. any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, terrorism, rebellion, revolution, insurrection or military or usurped power;
13. claims by one Insured under this policy against another Insured under this policy;
14. Medical and biological research as well as clinical trials
15. Directors and officers of Hospitals in their executive and not medical capacity.
16. Radiologists engaged in radiation therapy.
17. Liabilities arising out of human related products.
18. methicillin-resistant Staphylococcus aureus (MRSA) or any other variant of Staphylococcus aureus
19. Clostridium difficile (CD)
20. liability assumed by the Insured by contract or any other agreement or any express warranty or guarantee given by the Insured which increases the Insured's legal liability. This exclusion shall not apply to liability which would have attached to the Insured in the absence of such contract, agreement, warranty or guarantee.
21. Fines and Penalties
Fines penalties liquidated damages or damages awarded under any penalty clause or any punitive or exemplary damages
22. Defective Drains Sewers Sanitary Arrangements Seepage Pollution or Contamination
 - a) Bodily injury disease loss or damage to property directly or indirectly caused by or through or in connection with defective drains sewers or sanitary arrangements seepage pollution or contamination.
 - b) The cost of removing cleaning-up or nullifying seeping polluting or contaminating substances
23. War and Similar Perils
Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
 - a) War, invasion acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming

the proportions or amounting to a popular rising, military rising or usurped power, insurrection, rebellion, revolution, confiscation or nationalization or acquisition or destruction of or damage to property by or under the order of any government or public or local authority.

b) any act of terrorism.

For the purpose of this Exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

c) any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

If the Insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the insured.

In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

24. Radioactivity

Any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

a) ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and for the purposes of this exception combustion shall include any self- sustaining process of nuclear fission.

b) Any liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material

25. Asbestos Liability

Liability arising directly or indirectly out of, caused by or in connection with the existence, handling, processing, manufacturing, mining, sale, transportation, distribution, storage, use, removal, remediation, treatment, disposal or escape of asbestos, asbestos products or any product containing asbestos.

26. EMF/EMR liability

Any Liability caused by the exposure to an Electro Magnetic Field (EMF) and/or Electro Magnetic Radiation (EMR) of any kind Pollution and/or Contamination.

27. Electronic liability

Any liability for losses arising, directly or indirectly, out of:

a) loss of, alteration of, or damage to, OR

- b) a reduction in the functionality, availability or operation of
a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or the insured or not.
28. Excluding any claim arising out of any malpractice occurring prior to the inception date of the policy if the insured on such date know or could have reasonable foreseen that such malpractice might be expected to be the basis of a claim
29. Excluding any claim arising from any circumstance or occurrence which has been notified to any medical defense organisation and/or Insurer prior to the inception of the policy
30. Excluding any claim which is subject of Insurance, Indemnity or Assistance provide by any Medical Defense Organization.
31. Excluding any claim arising from public liability which will be deemed to include any bodily injury, mental injury, illness, disease or death to any person or loss of or damage to tangible property of any person
32. Excluding any claims arising out of the manufacture of any products or the construction, alteration, repackaging, repair, servicing, or treating of any product sold, supplied or distributed by the Insured, or any claim arising out of the failure of any product to fulfill the purpose for which it was designed, or to perform as specified, warranted or guaranteed
33. Excluding any claim by any person for bodily injury, mental injury, disease or death incurred, contracted or occurring while under a contract of service or apprenticeship with the Insured, or for any breach of any obligation owed by the Insured as an employer to any employee or any claim in respect of which compensation is available under any Worker's Compensation Scheme and/or similar legislation. However this exclusion shall not apply to any claim arising out of any bodily injury, mental injury or death of an employee which is caused by any negligent act, error or omission of an Insured, where the employee is the patient of the Insured
34. Excluding any claim directly or indirectly caused by or contributed to by :
- Any act in violation of any law or ordinance
 - Any dishonest, fraudulent or criminal act of the Insured
 - The performance of the activities of the Insured whilst under the influence of the intoxicants or narcotics

GENERAL CONDITIONS

1. Interpretation:

This Policy the Schedule the General Conditions the Special Conditions Warranties Exclusions and Endorsements known collectively as the Terms of the Policy shall be read together as one contract and any word or expression to which a special meaning has been attached in any part shall bear such meaning throughout.

2. Period of Cover

The liability of the insurer shall commence, notwithstanding any date to the contrary specified in the schedule, and shall expire on the date specified in the Schedule. Insureds will be informed about the renewal of the policy 30 days prior to expiry of the policy

3. Material facts and duty of utmost good faith - Misrepresentation Mis-description and Non-Disclosure:

The statements and answers contained in the Proposal form and any other supplementary declaration and any material information provided to the Insurer by the Insured are deemed true and complete and in the event of misrepresentation mis-description or non-disclosure of such information this Policy is voidable by the Insurer

(Definition: A material fact is one which is likely to influence the Insurer in the assessment, acceptance or rating of a risk). If there is any doubt as to whether or not a fact is material, it should be disclosed to the Insurer.

4. Reasonable Care & Precautions

- The Insured shall take all reasonable precautions to prevent or minimize injury, illness, loss or damage which may give rise to a claim under this policy.
- The Insured shall take all reasonable care in the selection and employment of competent employees and shall comply with all statutory obligations and requirements

5. Alterations of Risk:

The Insured shall give the Insurer as soon as practicable notice in writing of any alteration which materially affects the risk insured or materially changes any of the circumstances disclosed to the Insurer and the Insurer shall have the right to vary the terms of this Policy. No alteration in the terms of this Policy will be held valid unless the same is signed by an authorised official of the Insurer.

6. Cancellation:

- This insurance may be terminated at any time without requiring any reason by the Insured and provided no claim is unpaid or outstanding during the current period of insurance, the Insured will be entitled to a return of the premium paid less premium at the Insurer's short period rates as per scale below for the period the policy has been in force. Payment of refund to insured is automatic and the insured is not required to request payment

Policy being in force for period not exceeding	% age of annual premium
one month	25
three months	50
Six Months	75
Nine months	87.5
Exceeding 9 months	100

- This insurance may also be terminated by the Insurer subject to 30 days written notice to the Insured and in which case the Insurer shall return to the Insured a pro rata proportion of the Premium paid for the unexpired policy period from the date of the cancellation.

Provided that the Insurer may exercise this cancellation option only in the following circumstances:

- i. Nonpayment of premium by the Insured within the stipulated date agreed by the Insurer with the Insured
- ii. If the performance of the whole or part of the policy contract is rendered impossible de jure or de-facto for reasons not the fault of either party including in consequence of any law or regulation which is or shall be in force
- iii. If there is any material change in ownership, management or control of the Insured
Provided that this sub-condition for cancellation will not apply if the insured is in compliance with requirements of **General Condition 5** above
- iv. If the Insured shall have failed to comply with any terms and conditions of this Policy

7. Maintenance of Records

The Insured shall at all times

- a. maintain accurate descriptive records of all professional services which shall be available for inspection and use by the Insurer or its duly appointed representatives insofar as they pertain to any claim hereunder,
- b. give to the Insurer or its duly appointed representatives such information, assistance and signed statements as the Insurer may require, and assist in the defence of any claim at its own expense.

8. Claims Conditions

- a. In the event of any incident or circumstance which may give rise to a claim for indemnity under this policy, the Insured shall give as soon as practicable notice in writing to the Insurer. Such notice having been given not later than 30 days after expiry of the policy period, any claim to which that incident or circumstance has given rise, which may be made within 36 months after the expiry of the period specified in the schedule, shall be deemed for the purpose of this policy to have been made during the existence hereof.
- b. The Insured shall not admit liability or settle or make or promise any payment in respect of any claim which may be the subject of indemnity hereunder, or incur any costs or expenses in connection therewith, without the written consent of the Insurer which shall be entitled to take over and conduct in the name of the Insured the defence and/or settlement of any such claim, for which purpose the Insured shall give all the information and assistance that the Insurer may reasonably require.
- c. The Insurer will not settle any claim without the consent of the Insured. If, however, the Insured refuses to consent to any settlement recommended by the Insurer and shall elect to contest or continue any legal proceedings, then the liability of the Insurer shall not exceed the amount for which the claim could have been so settled plus the costs and expenses incurred with its consent up to the date of such refusal.
- d. The Insurer may pay to the Insured the maximum sum payable under this policy in respect of any occurrence or any lesser sum for which the claim or claims

arising from such occurrence can be settled and the Insurer shall not be under any further liability in respect of that occurrence except for the payment of costs and expenses of litigation incurred prior to such payment.

- e. If any payment is made under this insurance in respect of a claim, the Insurer is thereupon subrogated to all the Insured's rights of recovery on relation thereto.

9. Premium:

If at the time any claim arises under this policy, there is any other insurance covering the same loss, damages, liability or expense, the insurer shall not be liable to pay or contribute more than its ratable proportion of any such loss, damage, liability or expense.

10. Fraudulent Claims - Forfeiture of Rights:

If the claim be in any respect fraudulent or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy or if the loss be occasioned by the wilful act or with the connivance of the Insured all rights under this Policy shall be forfeited.

11. Jurisdiction and Applicable Law:

- a) Any disputes arising out of or in connection with this Policy shall be subject to and governed by the laws and regulations applicable in Saudi Arabia . The Committee for Settlement of Insurance Disputes and irregularities provided for in Article 20 of the Saudi Supervision of Cooperative Insurance Companies Law promulgated by Royal Decree No. M32 dated 02/06/1424H shall be the only competent bodies to deal with such matters
- b) The indemnity provided by this policy is restricted to apply in respect of
- i. compensation resulting from judgement rendered by or obtained from the court of competent jurisdiction in the Kingdom of Saudi Arabia
 - ii. charges, expenses and legal costs incurred and recoverable in the Kingdom of Saudi Arabia.

12. Notices:

Every notice and other communication to the Insurer or the Insured required by these conditions must be written or printed and sent to the respective addresses shown in the Policy schedule

13. Observance of Terms and Conditions:

The due observance and fulfilment of the terms, provisions and conditions so far as they relate to anything to be done or complied with by the Insured and the truth of the statements in the proposal made by him (which shall be the basis of this contract and held to be incorporated herein) shall be conditions precedent to any liability of the Insurer

14.Currency

Saudi Arabian Riyal

15.Geographical Area

As stated in the Policy Schedule

16. Arabic to Prevail:

In the event of a conflict or difference in meaning between the Arabic and English texts in this Policy the Arabic text shall prevail.

For Solidarity Saudi Takaful Co Authorized Signatory	
Insurer Seal	

