



**MEDICARE AND MEDICAID PROCEEDING DEFENSE ONLY EXPENSE REIMBURSEMENT  
COVERAGE EXTENSION ENDORSEMENT - ALASKA**

- I. The **Professional Liability Coverage Part**, the section entitled **COVERAGE EXTENSIONS** is amended to add the following:

**MEDICARE AND MEDICAID PROCEEDING DEFENSE ONLY EXPENSE REIMBURSEMENT COVERAGE EXTENSION**

**Medicare and Medicaid Proceeding Defense Only Expense Reimbursement**

We will reimburse **defense expenses** incurred by **you** as a result of a **violation** to which this insurance applies, up to the **Defense Expense** Aggregate Limit of Insurance set forth on the **Certificate of Insurance** for all covered **defense expenses** in the aggregate regardless of the number of **you**, the number of **proceedings** brought, **investigations** conducted, or **violations** cited in such **proceedings** or **investigations** provided that:

- A. the Centers for Medicare and Medicaid Services, Department of Health and Human Services (hereafter referred to as "CMS") or the Department's Office of the Inspector General (hereafter referred to as "OIG") notifies **you** in writing during the **policy period** of the commencement of the investigation or **proceeding**;
- B. prior to the effective date of the policy, none of **you** received notice of a **violation** or knew that the **violation** had occurred, in whole or in part. If **you** received notice of a **violation** or knew prior to the **policy period**, that the **violation** occurred, then any continuation, change or resumption of such **violation** during or after the **policy period** will be deemed to have been known prior to the **policy period** and notification of a **proceeding** or **investigation** arising out of such **violation** shall not be covered under this endorsement;
- C. prior to the effective date of the policy, none of **you** had given notice to a prior insurer of any related **violation**; and
- D. such **proceeding** or **investigation** is reported to us in writing promptly after **your** receipt of notice of such **proceeding** or **investigation**.

Any **defense expenses** paid by Us pursuant to this endorsement shall be in addition to the Limits of Insurance.

- II. Solely with respect to this endorsement, the Section entitled **EXCLUSIONS** is amended with the addition of the following exclusions:

**A. Criminal Acts**

Any **violation** which results in any criminal penalties or arises out of a criminal act committed by or at the direction of any insured.

**B. Compliance Reviews or Audits**

Any compliance reviews, audits or inspections by CMS or OIG, whether or not requested by CMS or OIG.

**C. Judicial Review**

Arising out of any appeal or judicial review by any court of a **violation**.

**D. Prior Acts Date**

Any **violation** with respect to **professional services** performed before the **prior acts date**. This exclusion does not apply if your professional liability coverage is on an occurrence basis.



III. The **Professional Liability Coverage Part**, the section entitled **ADDITIONAL DEFINITIONS**, is amended with the addition of the following definitions:

- **Defense expenses** means the reasonable and necessary expenses incurred by the **Named Insured** and consented to by us in connection with the defense of any **proceeding** or **investigation** including, but not limited to legal fees and other defense costs. **Defense expenses** shall not include:
  - A. any amounts incurred with respect to any **violation** which results in any criminal penalties or arises out of a criminal act committed by or at the direction of any insured;
  - B. any amounts incurred with respect to **your** defense against a criminal investigation, complaint or indictment;
  - C. any fines or penalties, remuneration, salaries, wages, or overhead; or
  - D. any **claim expenses**, expense or supplementary payments, including attorney's fees which are covered pursuant to any other provision of this policy, including attorney's fees of defense counsel retained to defend any **claim** under this policy.
- **Investigation** means an investigation by CMS or OIG, pursuant to 42 CFR 402 and any amendments thereto of an actual or alleged **violation** by **you**.
- **Proceeding** means an action by CMS, Centers for Medicare and Medicaid Services, Department of Health and Human Services or OIG, Department's Office of the Inspector General ("OIG"), against **you** arising out of a **violation**, and seeking civil money penalties, assessments or exclusions pursuant to 42 CFR 402 and any amendments thereto.
- **Violation** means **your** actual or alleged failure to comply with the provisions of the Social Security Act specified in 42 CFR 402.1, as promulgated by CMS pursuant to the authority given to CMS under the Social Security Act in 42 U.S.C. 1302 and 42 U.S.C. 1295hh as may be amended from time to time.

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.