

## STUDENT/SCHOOL PROFESSIONAL LIABILITY POLICY



ADMINISTERED BY:  
**AMERICAN PROFESSIONAL AGENCY, INC.**  
INSURANCE

95 Broadway, Amityville, NY 11701  
(631) 691-6400 • (800) 421-6694

AMERICAN HOME ASSURANCE COMPANY  
Executive Offices 70 Pine Street  
New York, NY 10270 A Capital Stock Company

Coverage is offered through Professional Counselors Purchasing Group, Inc.

**NOTICE: A LOWER LIMIT OF LIABILITY APPLIES TO JUDGMENTS AND SETTLEMENTS WHEN THERE ARE ALLEGATIONS OF SEXUAL MISCONDUCT AND PUNITIVE DAMAGES. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS POLICY COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.**

In consideration of the premium paid and in reliance upon the statements in the Application completed by the **named insured** and upon the Declarations and subject to its terms, conditions, and exclusions, **we** agree to this Policy as a contract with the **named insured**.

### I. INSURING AGREEMENTS

**We** shall pay those amounts that **you** are legally obligated to pay to compensate others arising out of **your wrongful act**. The **wrongful act** must take place during the **policy period**, and must arise solely out of **your** performance of professional services or field placement activities as described in Item 5 of the Declarations.

### II. DEFINITIONS

- A. **Automobile** means a land vehicle, whether or not self-propelled, or a trailer or semitrailer, including any machinery or apparatus attached thereto, whether or not designed for use principally on public roads.
- B. **Bodily Injury** means physical injury, sickness, disease, sustained by any person, including death resulting therefrom.
- C. **Claim(s)** means a demand for money and includes **suit(s)**.
- D. **Criminal Prosecution** means any government action for enforcement of criminal laws, including offenses, conviction for which could result in imprisonment.
- E. **Defamation** means the publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy.
- F. **Discrimination** means the violation of any law, whether statutory or common law, including, but not limited to, race, color, religion, national origin, age, sex, marital status, sexual orientation, handicap, pregnancy, chronic medical condition, or obesity.
- G. **Named Insured** means a school, college, university or individual indicated in Item 1 of the Declarations.
- H. **Policy Period** means the period commencing on the effective date shown in the Declarations and ending on the effective date of termination, expiration, or cancellation of this Policy.
- I. **Pollutants** means any solid, liquid, gaseous, or thermal irritant or contaminant, including: smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed, as well as medical waste.
- J. **Property Damage** means (1) physical injury to or destruction of tangible property including the loss of use thereof resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed.
- K. **Suit** means a civil proceeding seeking money damages, and includes an arbitration, mediation or any other alternative dispute resolution procedure seeking such damages, to which **you** must submit or may submit with **our** consent.
- L. **You** and **Your** means any Insured as set forth in Section III. Who Is An Insured.
- M. **We**, **our** and **us** means the Company providing this insurance.
- N. **Wrongful Act** means any actual or alleged negligent act, error, or omission, or any actual or alleged **defamation**.

### III. WHO IS AN INSURED

The Insured, referred to as **you** and **your**, is the individual(s) or school, college or university designated as a **named insured** in Item 1 of the Declarations:

- A. If the **named insured** is designated as a student, the student named is an insured, but solely as respects their liability as students in school authorized field placement activities as described in Item 5 of the Declarations;

- B. If the **named insured** is designated in the Declarations as a school, college or university, the school, college or university so designated, its teachers, supervisors, board members and faculty while acting within the scope of their duties as such and students as respects their liability in authorized field placement activities are insureds.

#### IV. DEFENSE COSTS, CHARGES AND EXPENSES

**We** shall pay the costs related to the following which are in addition to the Limits of Liability:

- A. **We** have the right and duty to defend and appoint counsel, at **our** expense for any **suit** brought against **you** for a covered **wrongful act**, even if the **suit** is groundless or fraudulent. **Our** duty to defend **suit** ends after the applicable Limit of Liability has been exhausted by payment of judgments, awards, and interest accruing thereon prior to entry of judgment or issuance of an award and settlements.
- B. **We** have the right to investigate any **claim** or **suit** and, with **your** written consent, settle any **claim** or **suit** that **we** believe is proper. **Our** duty to defend any **suit** against **you** ends if the **named insured** refuses to consent to a settlement **we** recommend and the claimant will accept. The **named insured** shall then defend the **suit** at the **named insured's** own expense and negotiate any settlement. **Our** liability for any settlement or judgment will not be more than the amount for which **we** could have settled had the **named insured** consented.
- C. 1. **We** will pay all reasonable costs, other than loss of earnings, **we** ask **you** to incur while defending a **suit**.  
2. **We** will pay premiums for appeal bonds, or bonds to release property used to secure legal obligation, if required in a **suit we** defend. **We** will only pay, however, for bonds valued up to **our** applicable Limit of Liability. **We** have no obligation to appeal or to obtain these bonds.
- D. **We** shall pay all interest and all costs taxed on that amount of any judgment up to **our** Limit of Liability:  
1. Which accrues after entry of judgment; and  
2. Before **we** pay, offer to pay, or deposit in court that part of the judgment within **our** applicable Limit of Liability.

#### V. LIMITS OF LIABILITY

- A. The limits shown in the Declarations to the Policy and the information contained in this section indicate the most **we** will pay regardless of the number of:  
1. Persons or organizations covered by this Policy; or  
2. **Claims** made or **suits** brought.
- B. Each **wrongful act** limit is the most **we** shall pay for all loss that results from a single **wrongful act**.
- C. Aggregate limit is the most **we** shall pay for all losses covered under this Policy.
- D. All **claims** arising from continuous, repeated, or related **wrongful acts** shall be treated as one **claim**. Such **wrongful acts** shall be considered to have taken place when the earliest **wrongful act** takes place.

#### VI. EXCLUSIONS

**We** shall not defend or pay any **claims** against any Insured under the Insuring Agreement:

- A. For any dishonest, criminal, fraudulent or malicious act, error, or omission;
- B. For any liability as a proprietor or owner of any clinic with bed and board facilities, hospital, sanitarium, nursing home or laboratory or to acts, errors or omissions arising out of or in the course of any trade, business, employment or profession other than the activities described in Item 5 of the Declarations;
- C. For any medical, surgical, dental, x-ray or nursing service or treatment, the furnishing of food or beverages in connection therewith or the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- D. For any **discrimination** on any basis;
- E. For any **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any **automobile**, aircraft or watercraft;
- F. For any **bodily injury** or **property damage** to any employee of **yours** or independent contractor working for **you**, or to any obligation of **you** to indemnify another because of damages arising out of any **bodily injury** or **property damage**;
- G. For any actual or alleged infringement of copyright;
- H. For any liability arising out of any obligation under a workers' compensation, disability benefits, unemployment compensation law, or any similar law;
- I. For **property damage** to:  
1. Property owned or occupied by or rented by **you**;  
2. Property used by **you**;  
3. Property in the care, custody or control or property of which **you** are exercising physical control for any purpose; or  
4. Premises sold, given away or abandoned by **you**, if the **property damage** arises out of any part of those premises;
- J. For any **wrongful act** committed with knowledge by **you** that it was a **wrongful act**;
- K. For:  
1. The actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**; or  
2. Any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**;
- L. For any of **your** employment activities including, but not limited to, application for employment, refusal to employ, termination of employment, coercion, demotion, evaluation, re-assignment, discipline, **defamation**, harassment including sexual harassment, humiliation, or violation of civil rights;
- M. Arising out of any **wrongful act** committed while **you** did not have a license required by law or while **your** license was suspended; or
- N. Arising out of any **wrongful act** while **you** were under the influence of an illegal substance or drug or while intoxicated.

## VII. SEXUAL MISCONDUCT PROVISION

- A. **Our** Limit of Liability shall not exceed \$25,000 in the aggregate for all damages with respect to the total of all **claims** and **suits** against **you** involving any actual or alleged erotic physical contact, or attempt thereof or proposal thereof:
1. By **you** or by any other person for whom **you** may be legally liable; and
  2. With or to any former or current client of **you**, or any current student, or with or to any relative or member of the same household as any said client, or with or to any person with whom said client or relative has an affectionate personal relationship.
- B. In the event that any of the foregoing are alleged at any time, either in a complaint, during discovery, at trial or otherwise, any and all causes of action alleged and arising out of the same or related courses of professional treatment and/or relationships shall be subject to the aforesaid \$25,000 aggregate Limit of Liability and shall be part of, and not in addition to, the Limits of Liability otherwise afforded by this Policy.
- C. **We** shall not be obligated to undertake nor continue to defend any **suit** or proceeding subject to the \$25,000 aggregate Limit of Liability after the \$25,000 aggregate Limit of Liability has been exhausted by payment of judgments, settlements and/or other items included within the Limits of Liability.

## VIII. PUNITIVE DAMAGES PROVISION

**We** shall not pay for fines or penalties or punitive, exemplary or multiplied damages, however, wherever permitted by law **we** shall pay up to \$25,000 in the aggregate for all damages with respect to the total of all **claims** and **suits** against **you** involving punitive, exemplary or multiplied damages as part of and not in addition to the applicable Limits of Liability of this Policy.

## IX. CONDITIONS

### A. WHERE COVERAGE APPLIES

**We** cover **wrongful acts**, anywhere in the world, but only if a **claim** is made, a **suit** is brought for such **wrongful act** in the United States of America, its territories and possessions, Puerto Rico, or Canada.

### B. YOUR ASSISTANCE AND COOPERATION

1. **You** agree to cooperate with and help **us**:
  - a. Make settlements;
  - b. Enforce any legal rights **you** or **we** may have against anyone who may be liable to **you**;
  - c. Attend depositions, hearings and trials; and
  - d. Secure and give evidence, and obtain the attendance of witnesses.

**You** shall not admit any liability, assume any financial obligation, or pay out any money without **our** prior consent. If **you** do, it will be at **your** own expense.

### C. LAWSUITS AGAINST US

1. No one can sue **us** to recover under this Policy unless all of the terms have been honored.
2. A person or organization may sue **us** to recover up to the Limits of Liability under this Policy only after **your** liability has been decided by:
  - a. Trial, after which a final judgment has been entered; or
  - b. A written settlement agreement signed by **you**, **us**, and the party making the **claim**.

### D. BANKRUPTCY

**You** or **your** estate's bankruptcy or insolvency does not relieve **us** of **our** obligations under this Policy.

### E. CHANGES

The **named insured** shown in the Declarations is authorized to make changes in the terms of this Policy with **our** written consent. This Policy's terms can be amended or waived only by endorsement issued by **us** and made a part of this Policy.

### F. TITLES OF PARAGRAPHS

Titles of paragraphs are inserted solely for convenience of reference and shall not be deemed to limit, expand or otherwise affect the provisions to which they relate.

### G. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

**Your** rights and duties under this Policy may not be transferred without **our** written consent.

If **you** are declared legally incompetent, **your** rights and duties shall be transferred to **your** legal representative but only while acting within the scope of his duties as **your** legal representative.

### H. CONFORMANCE TO STATUTE

To the extent a term of this Policy conflicts with a statute of the state within which this Policy is issued, the term shall be deemed amended so as to conform to minimum requirements of the statute.

### I. DUTIES IN THE EVENT OF AN INCIDENT, CLAIM OR SUIT

1. When incidents or events occur which **you** reasonably believe may give rise to a **claim** or **suit** for which coverage may be provided, **you** shall, give written notice to **us** as soon as practicable. Such written notice shall contain:
  - a. The identity of the person(s) alleging the **wrongful act**;
  - b. The identity of the insured(s) who allegedly were involved in the incidents or events; and
  - c. The date the alleged incidents or events took place.
2. If a **claim** is made or **suit** is brought against **you**, **you** shall:
  - a. Immediately record the specifics of the **claim** and the date received; and
  - b. Notify **us** as soon as practicable.

**You** shall see to it that **we** receive written notice of this **claim** as soon as practicable.
3. **You** must:
  - a. Immediately send **us** copies of any demands, notices, summonses or legal papers received in connection with any **claim** or **suits**;
  - b. Authorize **us** to obtain records and other information;
  - c. Cooperate with **us** in the investigation, settlement, or defense of the **claim** or **suit**; and

- d. Assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to **you** because of injury or damage to which this insurance may also apply.

J. OTHER INSURANCE

If there is other insurance which applies to the loss resulting from a **wrongful act** the other insurance shall pay first. This Policy applies to the amount of loss which is more than:

- a. The Limits of Liability of the other insurance; and
- b. The total of all deductibles and self-insured amounts under all such other insurance.

**We** shall not pay more than **our** Limits of Liability.

K. MULTIPLE POLICIES

1. Two or more policies may be issued by **us** or other member companies of American International Companies, Inc. These policies may provide coverage for:

- a. **Claims** or **suits** arising from the same or related **wrongful act**.
  - b. Persons or organizations covered in those policies that are jointly and severally liable.
2. In such a case, **we** shall not be liable under this Policy for an amount greater than the proportion of the loss that this Policy's applicable Limit of Liability bears to the total applicable Limits of Liability under all such policies.

In addition, the total amount payable under all such policies is the highest applicable Limit of Liability among all such policies.

L. REPRESENTATIONS

1. By accepting this Policy, the **named insured** agrees that the statements in the Application and Declarations are true, and that they are the **named insured's** agreements and representations.
2. The **named insured** agrees that this Policy is issued in reliance upon the truth of those representations.
3. Any and all relevant provisions may be voidable by **us** in any case of fraud, intentional concealment, or misrepresentation of material fact by **you**.

M. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO **US**

If **you** have rights to recover all or part of any payment **we** have made under this Policy, those rights are transferred to **us**. **You** must do nothing to impair them. At **our** request, **you** will bring **suit** or transfer those rights to **us** and help **us** enforce them.

N. ARBITRATION

1. Any controversy arising out of or relating to this Policy or its breach shall be settled by arbitration in accordance with the rules of the American Arbitration Association. The arbitration panel shall consist of three (3) arbitrators. One of the arbitrators shall be chosen by the **named insured** and one arbitrator shall be chosen by **us**. Those two arbitrators shall then choose the third arbitrator. Unless the parties otherwise agree, the arbitration shall be held in the state of the Insured as defined in Item 1 of the Declarations.
2. Unless the parties otherwise agree, within thirty (30) days of the parties submitting their case and related documentation, the arbitration panel shall issue a written decision resolving the controversy and stating the facts reviewed, conclusions reached, and the reasons for reaching those conclusions. The arbitration panel may make an award of compensatory damages, but shall not award punitive or exemplary damages. The findings of the arbitration panel, however, shall be binding upon **you** or **us**.
3. The **named insured** shall bear the expense of the arbitrator chosen by the **named insured**. **We** shall bear the expense of the arbitrator chosen by **us**. The **named insured** and **we** shall share equally the expense of the other arbitrator. The arbitration panel shall allocate any remaining costs of the arbitration proceeding.

X. CANCELLATION/NONRENEWAL

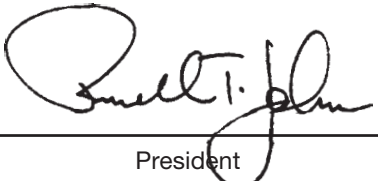
- A. The **named insured** shown in the Declarations may cancel this Policy by mailing or delivering to **us** advance written notice of cancellation.
- B. **We** may cancel this Policy by mailing or delivering to the **named insured** written notice of cancellation at least:
  1. Ten (10) days before the effective date of cancellation if **we** cancel for non-payment of premium; or
  2. Sixty (60) days before the effective date of cancellation if **we** cancel for any other reason.
- C. **We** will mail or deliver **our** notice to the first **named insured's** address shown in Item 1 of the Declarations.
- D. Notice of cancellation will state the effective date of cancellation. The **policy period** will end on that date.
- E. If this Policy is canceled, **we** will send the **named insured** any premium refund due. If **we** cancel, the refund will be pro rata. If the first **named insured** cancels, the refund shall be at the short rate. The cancellation shall be effective even if **we** have not made or offered a refund.

If notice is mailed, proof of mailing will be sufficient proof of notice.
- F. If **we** decide not to renew this Policy, **we** will mail or deliver to the **named insured** shown in the Declarations written notice of the nonrenewal not less than sixty (60) days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**IN WITNESS WHEREOF**, **we** have caused this Policy to be signed by **our** President and Secretary and countersigned where required by law on the Declarations page by **our** duly authorized representative.

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
President