

TCM PRACTITIONERS MEDICAL INDEMNITY INSURANCE POLICY

Whereas the Insured conducting the Medical Profession described in the Schedule and no other for the purpose of the Insurance by a proposal and declaration of certain information given which shall be the basis of this Contract and is deemed to be incorporated herein has applied to Income Insurance Limited (hereinafter called "Income") for the insurance hereinafter contained and has paid or agreed to pay the premium as consideration for such insurance.

1 COVERAGE

1.1 Insuring Agreement

Subject to all the terms contained herein and endorsed hereon, Income shall indemnify the Insured for all sums which the Insured shall become legally liable to pay due to any Claim(s) first made against the Insured and reported during the Policy Period as a direct result of any negligent act, error or omission which takes place in Singapore in conducting the Medical Profession stated in the Schedule, during the Policy Period.

In accordance with Section 3 of this Policy, the Limits of Insurance in effect when such claim is first made will specify the total liability Income will pay. A claim will be deemed to have been first made when written notice of such claim is received by the Insured or by Income, whichever is earlier.

Where the negligent act, error or omission results in more than one Claim against the Insured all such Claim(s) shall constitute a single Claim for the purposes of determining liability under this Policy and will be deemed to have been made at the time the first of those claims was received.

Income may defend any claim in accordance with Section 4.4 of this Policy and investigate any incident or Claim and settle any Claim at its discretion, subject to the Limits of Insurance in Section 3 of this Policy.

This insurance applies only to damages for loss which are determined in a suit or in a settlement to which Income agrees, provided that such settlement takes place in Singapore.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Section 1.2, Section 1.4 or Section 5 of the Policy.

1.2 Claims Expenses

In addition to damages to which this insurance applies, Income shall indemnify the Insured for those sums which the Insured shall pay as claims expenses with respect to any claim seeking such damages.

Income's liability under the Limits of Insurance in Section 3 of this Policy includes claims expenses which Income incurs on behalf of the Insured.

1.3 Exclusions

This insurance does not apply to:

- (a) any claim arising out of any incident which has occurred before the Retroactive Period of this Policy as shown in the Schedule;
- (b) any known claims, incidents and allegations that may give rise to a claim as at the commencement of this Policy;
- (c) fines, penalties (whether civil, criminal or contractual), exemplary damages or any damages in excess of compensatory damages;
- (d) loss brought about or contributed to by any deliberate, dishonest, fraudulent, criminal or malicious act or omission or any act or omission committed in violation of any law or ordinance, or any services rendered while under the influence of intoxicants or narcotics;
- (e) any liability arising solely out of an Insured's status as, or activities in the capacity of, an officer, director, partner or stockholder of any partnership, joint venture or other organization, provided, however, that this exclusion shall not apply to any liability of an Insured which, as a result of conducting the Medical Profession, would attach irrespective of such status or capacity;

- (f) any claim arising out of loss of or damage to property in the Insured's care, custody or control or damage to or mislaying or loss of any sample (of any nature whatsoever) or any computer-based or electronically stored information or material entrusted to or in the care, custody or control of the Insured;
- (g) any procedure carried out under general anaesthesia unless performed in a hospital;
- (h) any claim arising out of the manufacture of any products, or the construction, alteration, repackaging, repair, servicing or treating of any products sold, supplied or distributed by the Insured or any Claim arising out of the failure of any product to fulfil the purpose for which it was designed, or to perform as specified, warranted or guaranteed;
- (i) the operation or management of a blood-bank;
- (j) claims or liability arising from any condition directly or indirectly caused by or associated with Human T-Cell Lymphotropic Virus type III (HTLV) or Lymphadenopathy Associated Virus(LAV) or the mutants derivatives or variations thereof or in any way related to Acquired Immune Deficiency Syndrome or any syndrome or condition of a similar kind howsoever it may be caused;
- (k) it is hereby understood that this policy shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos in whatever form or quantity.
- (l) 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:
 - (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
 - (2) 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 organisation(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.

This exclusion also includes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If Income 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.

- (m) any claim arising directly or indirectly from the failure or inability of any computer or other equipment or system for processing storing or retrieving data, whether the property of the Insured or not, occurring at any time to : -
 - (1) correctly recognize any date as its true calendar date
 - (2) capture save or retain, and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
 - (3) capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date

1.4 Extension of Coverage

This Policy also covers:

Legal Costs and Expenses incurred for the Insured's representation at any administrative or disciplinary proceeding, coroner inquiry and any medical tribunal investigation which arises from the Insured's conduct of the Medical Profession. Income will also indemnify the Insured for costs and expenses of legal representation at any criminal investigation if the allegation of the criminal act is the result of the Insured rendering any medical treatment within the Republic of Singapore.

Income's liability under the Limits of Insurance in Section 3 of the Policy includes the indemnities payable under this Section 1.4.

2 PERSONS INSURED

- (a) The Insured named in the Schedule.
- (b) The non-professional employees of the Insured named in the Schedule but only for acts within the scope of their employment by the Insured and undertaken while under the direction, control and supervision of the Insured.

Subject to all the terms and conditions of this Policy, coverage shall extend to claims for incidents caused by the Insured made against the estate, heirs, legal representatives or assigns of a deceased Insured, or made against the legal representatives or assigns of any Insured in the event of such Insured's incompetence or bankruptcy

3 LIMITS OF INSURANCE

Income shall only be liable under this Policy for damages and claims expenses in excess of the Deductible. The Deductible shall consist only of those damages and claims expenses which is or would be covered by this Policy. The Limits of Insurance shown in the Schedule and the conditions below specify the total liability Income will pay

- (a) regardless of the number of :
 - Insureds;
 - incidents or Claims made;
 - claimants.
- (b) for the sum of all damages for all loss arising out of all or any of the incidents and all claims expenses in connection therewith, with respect to all claims first made during each Policy Year.
Income will indemnify all sums covered under this Policy for damages and/or claims expenses in the order that such claims are presented to Income for indemnity.
The Deductible and the Limits of Insurance with respect to each incident as stated in the Schedule will apply regardless of the number of claims arising out of the incident.

4 CONDITIONS

The due observance and fulfillment of the terms of this Policy in so far as they relate to anything to be done or not to be done by the Insured, and the truth and completeness of all statements and information supplied to Income by the Insured will be conditions precedent to any liability of Income to make payment under this Policy.

This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or the Schedule shall bear such specific meaning wherever it may appear.

4.1 Arbitration

Any dispute or difference which arises under this policy, whether relating to the amount to be paid or interpretation of the terms, shall be referred for arbitration in the English language by a sole arbitrator in Singapore. If the parties are unable to agree on the arbitrator, the President of the Court of Arbitration of the Singapore International Arbitration Centre shall appoint the arbitrator. Parties agree to submit to arbitration within the meaning of the Arbitration Act and in accordance with the Arbitration Rules of the Singapore International Arbitration Centre for the time being in force in Singapore. The decision of the arbitrator shall be final and binding on the parties.

4.2 Bankruptcy

Bankruptcy of the Insured or the Insured's estate will not relieve Income of its obligations under this Policy.

4.3 Cancellation

The Insured or Income may cancel this Policy by giving a written notice of cancellation to the other party at least 10 days before the effective date of cancellation. The notice of cancellation must state the effective date of cancellation. The Policy Period and Policy Year will then in effect end on that date. In either case, the annual premium for the Policy Year will be refunded on the following basis:

Months in force	Percentage of Annual Premium Refunded
Up to 3 months	60%
Up to 6 months	40%
Up to 9 months	20%
More than 9 months	0%

No refund shall be payable if there were claims made during the Policy Year.

4.4 Defence and settlements

- (a) Income may take over and conduct in the name of the Insured the defence of any claim and will have full discretion in the conduct of any proceedings and in the settlement of any claim and having taken over the defence of any claim may relinquish the same. In the event that Income, at its sole discretion, chooses to exercise its right pursuant to this condition, no action by Income in the exercise of such right shall serve to modify or expand in any manner Income's liability or obligations under this Policy beyond what Income's liability would have been had it not exercised its right under this condition.
- (b) Irrespective of whether Income has exercised its right under this Section 4.4 to take over the defence of any claim, it shall have the right to recommend that the Insured settle such claim for an amount for which the claim can be settled. The Insured may decline to settle any claim which Income so recommends that it be settled, provided, however, that in the event the Insured elects to contest or continue to contest such claim after Income has recommended it to be settled, Income may withdraw from the matter and the liability of Income shall not exceed the sum of the amount of damages for which the claim could have been settled and the amount of claims expenses incurred with Income's consent prior to the date on which it first recommended settlement.
- (c) Following the payment by Income of the amount of its applicable Limit of Insurance or any lesser amount for which the claim can be settled, Income shall thereafter have no further liability in respect of such claim under this Policy.
- (d) The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense without Income's consent. If there is an incident that may involve this Policy, the Insured may, without prejudice as to liability, proceed immediately with settlements and pay claims expenses provided that such payments in their aggregate do not exceed the Insured's Retained Amount shown in the Schedule. The Insured shall promptly inform Income of any such settlement made.

4.5 Claims reporting

- (a) During the Policy Period the Insured shall give written notice to Income as soon as possible but not later than 30 days after becoming aware of circumstances which might reasonably be expected to produce a claim irrespective of the Insured's views as to the validity of the claim or on receiving information of a claim for which there might be liability under this Policy. A claim will be deemed to have been first made when written notice of such claim is received by the Insured or Income, whichever is earlier. The Limits of Insurance in effect when such claim is first made will specify the maximum amount Income will pay.
- (b) Every letter, claim, writ, summons and process shall be forwarded to Income by the Insured immediately upon receipt. Subject to Section 4.4(d), no admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent from Income.
- (c) The Insured shall give all assistance as may be required by Income, including but not limited to furnishing the patient's medical records if necessary.
- (d) The Insured shall not be required to contest any legal proceedings unless Income should advise that such proceedings could be contested with the probability of success.
- (e) In the event the Insured should refuse to co-operate in any legal proceedings, Income's liability for the claim shall not exceed the amount for which the claim could have been settled plus the costs and expenses incurred up to the date of such refusal, subject always to Income's liability under this Policy.

4.6 Other insurance

If other valid and collectible insurance or protection from an insurance policy or medical defence organisation is available to the Insured for a loss covered under this Policy and irrespective of:

- when such other insurance commences or terminates;
- which insurer or organisation provides such other protection; and
- the basis on which such other protection applies or is triggered;

this Policy shall be excess of and shall not contribute with such other insurance. Nothing in this Policy shall be construed to make this Policy subject to any of the terms of other insurance.

4.7 Renewal

If the Policy is issued for a duration of at least one (1) year, at the end of such period and on each anniversary thereof, upon prior submission of any underwriting information requested by Income and payment of the applicable premium, the Policy may be renewed for a period of one (1) year by issuance by Income of a Renewal Certificate. However, Income has no obligation to offer any such renewal or any extension of this Policy.

4.8 Risk alteration

The Insured must give immediate notice to Income of any alterations which materially affect the risk covered by this Policy, including but not limited to a change in the area of speciality or practice.

4.9 Exclusion of Third Party Rights

A person who is not party to this agreement shall have no right under the Contracts (Rights of Third Parties) Act 2001 to enforce any of its terms.

5 ENDORSEMENT

EACH OF THE FOLLOWING ENDORSEMENTS IS OPERATIVE ONLY WHEN THE ENDORSEMENT NUMBER IS SHOWN IN THE SCHEDULE UNDER THE HEADING "ENDORSEMENT OPERATIVE" AND THE APPLICABLE PREMIUM PAID

T1 EXTENDED REPORTING PERIOD

Income shall provide an Extended Reporting Period cover which will extend the period for the Insured to report any claims after the Policy has lapsed or is cancelled.

The Extended Reporting Period shall not reinstate or increase the Limits of Insurance applicable to any claim which this Policy applies.

Income's total liability for claims made during the Extended Reporting Period shall be the available limits remaining under the Limits of Insurance from the latest Policy Period

In order for coverage to apply under this Extended Reporting Provision:

- (a) the negligent act, error, or omission in conducting the Medical Profession must have occurred during the time the Policy was in force and after the retroactive date. There is no coverage for such act, error or omission that occurs during the Extended Reporting Period.
- (b) the claim must be first made and reported during the Extended Reporting Period

This Extended Reporting Period becomes effective at the end of the Policy Period and lasts for 5 years.

The Insured will not have the right to an Extended Reporting Period Endorsement if

- 1) the Policy is rescinded for any fraud, misrepresentation, concealment, or breach of warranty; or
- 2) the Insured's license or right to practice the profession is revoked, suspended or surrendered; or
- 3) there is non-payment of premium.

The Extended Reporting Period Endorsement shall not apply to claims that are covered under any subsequent professional indemnity insurance or other protection purchased by the Insured or that would be so covered but for exhaustion of the amount of insurance applicable to such claims.

The Insured has to apply for an Extended Reporting Period Endorsement within 30 days after the end of the Policy Period, and pay the additional premium. If the Insured does not apply for this M2 Endorsement within the specified 30 days, Income reserves the right not to provide this cover.

This Endorsement is subject to the terms and conditions of the Policy.

6 DEFINITIONS

"Claim" means:

receipt by the Insured or Income of any written or verbal notices of demand or compensation or any writs, summons or other originating legal or arbitral proceedings, or similar third party notices claiming compensation or served upon the Insured which allege loss, injury, disability, sickness, disease or death to a patient arising from the Insured rendering or failing to render professional services in the conduct of the Medical Profession.

- any matter or circumstance which a reasonable person in the position of the Insured would have considered might give rise to a Claim in respect of a liability covered under this Policy

"Claims Expenses" means:

- all reasonable and necessary legal fees, disbursements and other expenses incurred by the Insured with Income's consent in the investigation, adjustment, settlement or defence of a claim. Fees and expenses incurred by Income on the Insured's behalf shall be deemed incurred by the Insured.

- all costs taxed against the Insured in a legal suit.

- Income will also pay interest on any judgment against the Insured. However, the sum of the Claim, Legal Costs and Expenses and interest must not exceed the per-claim limit of liability and annual aggregate limit of liability.

"Deductible" means the first amount of each and every claim that must be paid or borne by the Insured as specified in the Policy, Schedule or any Endorsement

"Extended Reporting Period Endorsement" provides an extended time period after the cancellation of the insurance during which claims may be reported.

"Medical Profession" means conducting the profession described in the Schedule and registered with the Traditional Chinese Medicine Practitioners Board but does not include the rendering of any service not customarily or regularly rendered in the conduct of such profession. It does not include the designing, testing, manufacturing, producing, assembling, repackaging, selling, supplying, maintaining or repairing of any product by an Insured nor sale of self made drugs or medicine.

"Policy Period" means the uninterrupted time period from the inception date of the first policy year as stated in the Schedule up to the cancellation of this Policy.

"Policy Year" means the period of one (1) year, within the Policy Period, shown as the Period of Insurance in the Schedule.

PREMIUM PAYMENT WARRANTY CLAUSE

- 1 Notwithstanding anything herein contained but subject to clause 2 hereof, it is hereby agreed and declared that if the Period of Insurance is 60 days or more, any premium due must be paid and actually received in full by Income (or the intermediary through whom this Policy was effected) within 60 days of the inception date of the respective coverage under the Policy, Renewal Certificate or Cover Note or effective date of each Endorsement, if any, issued under the Policy, Renewal Certificate or Cover Note.
- 2 In the event that any premium due is not paid and actually received in full by Income (or the intermediary through whom this Policy was effected) within the 60-day period referred to above, then:
 - (a) the respective cover under the Policy, Renewal Certificate, Cover Note or Endorsement is automatically terminated immediately after the expiry of the said 60-day period;
 - (b) the automatic termination of the respective cover shall be without prejudice to any liability incurred within the said 60-day period; and
 - (c) Income shall be entitled to a pro-rata time on risk premium for the respective coverage subject to a minimum of \$109.00 (after GST).
- 3 If the Period of Insurance is less than 60 days, any premium due must be paid and actually received in full by Income (or the intermediary through whom this Policy was effected) within the Period of Insurance.