

– Please Read This Carefully –

## PHARMACY SERVICES PROFESSIONAL LIABILITY COVERAGE

With respect to the coverage provided by this endorsement, the Commercial Liability Coverages are amended as follows. All other provisions of the policy apply.

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### ADDITIONAL DEFINITIONS

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The following definition is amended, as follows:

Definition 11. "Insured" b. 4) a) (3) is deleted and replaced with the following:

- (3) arising out of his or her rendering or failure to render professional health care services. However, this limitation does not apply to the rendering or failure to render "pharmacy services".

The following definitions are added:

"Pharmacy services"

A) means:

- 1) The interpretation, evaluation, preparation and dispensing of prescription orders;
- 2) Participation in drug and device selection (including, where permitted by law, prescribing by protocol, agreement or collaborative practice or the prescribing of legally recognized pharmacist-class of drugs or devices);
- 3) The administering of drugs, including immunizations, by an "insured" pharmacist or "insured" pharmacy student where permitted by law;
- 4) Drug regimen reviews;
- 5) Drug or drug-related research;
- 6) Medication consulting and patient counseling which are related to drugs, medical devices or medical conditions;
- 7) "Compounding";
- 8) Storage of drugs and devices;
- 9) Maintenance of proper records for drugs and devices; or

10) Pharmaceutical care and other services of a professional nature legally performed by an "insured" pharmacist or "insured" pharmacy student.

B) does not mean:

- 1) services not arising out of the business of the "insured", as listed on the "declarations"; or
- 2) the administering of drugs or medical devices for cosmetic purposes.

"Compound", "Compounded", or "Compounding":

A) means the mixing of components into a drug preparation:

- 1) as the result of a licensed medical prescriber's prescription drug order or initiative, based on the prescriber / patient / pharmacist relationship in the course of professional practice;
- 2) for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale or dispensing;
- 3) pursuant to a lawful request by a licensed medical prescriber for a drug to be used by the prescriber for the purpose of direct administration to patients; or
- 4) in anticipation of receiving prescription drug orders based on routine, regularly observed prescribing patterns. However, the amount of product compounded pursuant to this paragraph is limited by the storage condition requirements of USP <795> and USP <797>.

B) also includes drug preparations that may be commercially available in the marketplace, as long as the "compounded" drug:

- 1) is either different from the Food and Drug Administration-approved product based upon the specific medical needs of the patient, or is temporarily unavailable to the pharmacy and there is an immediate need for the product by the patient; and

- 2) is based on the existence of a licensed medical prescriber / patient / pharmacist relationship and the presentation of a valid prescription order.

“Manufacturing” means the preparation of components into a drug product not specifically described within the definition of “compounding”.

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## COMMERCIAL LIABILITY COVERAGES

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### COVERAGE L – BODILY INJURY LIABILITY AND PROPERTY DAMAGE LIABILITY

2. Exclusions a. is deleted and replaced with the following:

- a. “We” do not pay for “bodily injury” or “property damage” arising out of the rendering or the failure to render a professional service. However, this exclusion does not apply to “bodily injury” or “property damage” arising out of the rendering or the failure to render “pharmacy services”.

The following exclusion is added:

“We” do not pay for “bodily injury” or “property damage” arising out of:

- 1) the rendering or failure to render “pharmacy services” by or with the knowledge or consent of an “insured” that involves:
  - a) a willful violation of a regulation or statute relating to “pharmacy services”;
  - b) a violation of criminal or penal statute or a criminal act; or
  - c) the dispensing of prescription orders based upon telephonic, electronic or online medical consultations without there being a pre-existing patient - prescriber relationship that has included an in-person physician examination;
- 2) “compounding” that contains a drug component which has been withdrawn or removed from the market for reasons of safety; or
- 3) “manufacturing”.

### COVERAGE O – FIRE LEGAL LIABILITY

2. Exclusions b. is deleted and replaced with the following:

- b. “We” do not pay for “property damage” arising out of the rendering or the failure to render a professional service. However, this exclusion does not apply to “property damage” arising out of the rendering or the failure to render “pharmacy services”.

The following exclusion is added:

“We” do not pay for “property damage” arising out of:

- 1) the rendering or failure to render “pharmacy services” by or with the knowledge or consent of an “insured” that involves:
  - a) a willful violation of a regulation or statute relating to “pharmacy services”; or
  - b) a violation of criminal or penal statute or a criminal act; or
- 2) “manufacturing”.

### COVERAGE P – PERSONAL AND ADVERTISING INJURY LIABILITY

2. Exclusions a. is deleted and replaced with the following:

“We” do not pay for “personal and advertising injury” arising out of the rendering or the failure to render a professional service. However, this exclusion does not apply to “personal and advertising injury” arising out of the rendering or the failure to render “pharmacy services”.

The following exclusion is added:

“We” do not pay for “personal and advertising injury” arising out of:

- 1) the rendering or failure to render “pharmacy services” by or with the knowledge or consent of an “insured” that involves:
  - a) a willful violation of a regulation or statute relating to “pharmacy services”;
  - b) a violation of criminal or penal statute or a criminal act; or
  - c) the dispensing of prescription orders based upon telephonic, electronic or online medical consultations without there being a pre-existing patient - prescriber relationship that has included an in-person physician examination; or
- 2) “manufacturing”.

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## HOW MUCH WE PAY

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**HOW MUCH WE PAY**, 1. and 4. are deleted and replaced with the following:

1. The “limits” shown on the “declarations” and subject to the following conditions, are the most “we” pay regardless of the number of:
  - a) “insureds” under the Commercial Liability Coverages;
  - b) persons or organizations who sustain injury or damage;
  - c) claims made or “suits” brought; or
  - d) policy periods involved.

“Our” total liability under Commercial Liability Coverages for damages resulting from one loss will not exceed the “limits” shown on the declarations page. All “bodily injury” and “property damage” resulting from one “occurrence” or all “personal and advertising injury” resulting from one offense is considered the result of one loss.

However, the payment of a claim under Coverage M does not mean that “we” admit “we” are liable under other coverages.

4. The Each Occurrence Limit, subject to the General Aggregate Limit and the Products/Completed Work Hazard Aggregate Limit, is the most “we” will pay for the total of:
  - a) “damages” under Coverages L and P; and
  - b) medical expenses under Coverage M, due to all “bodily injury” and “property damage” arising out of a single “occurrence” or due to all “personal and advertising injury” sustained by one person or organization.

A single “occurrence” includes:

- a) a “compounded” preparation prepared in a single batch for multiple prescriptions, regardless of the number of persons injured or the number of claims or suits brought;
- b) a single act or omission in the rendering or the failure to render “pharmacy services” that affects multiple prescriptions, regardless of the number of persons injured or the number of claims or suits brought; or
- c) an act or omission in the rendering or the failure to render “pharmacy services” to any one person, regardless of the number of times a prescription is refilled.

All “bodily injury” or “property damage” included within such “occurrence” will take place at the time the first “bodily injury” or “property damage” takes place.

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## SUPPLEMENTAL PAYMENTS

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**SUPPLEMENTAL PAYMENTS** is amended to include the following:

### Limited Pharmacy License Defense Reimbursement

“We” will reimburse “you” for legal fees arising out of a disciplinary proceeding or official investigation by a state or federal agency against “you”, “your” sole owner, “your” partners or “your” executive officers, for an action before a Board of Pharmacy arising out of the rendering or failure to render “pharmacy services” during the policy period.

The maximum amount reimbursed during the policy period shall not exceed \$10,000.

A \$500 deductible applies for each claim made.