

**APPLICATION FOR PHARMACY
PROFESSIONAL LIABILITY INSURANCE**

(Claims Made Basis) APPLICANT'S INSTRUCTIONS:

1. Answer all questions. If the answer requires detail, please attach a separate sheet.
2. Application must be signed and dated by owner, partner or officer.
3. Please do not complete application earlier than 45 days before proposed effective date of coverage.
4. PLEASE READ CAREFULLY THE STATEMENTS AT THE END OF THIS APPLICATION.
(PLEASE TYPE OR PRINT IN INK)

1. GENERAL INFORMATION

- a. Full name of Applicant:
- b. Principal Business Address:
- c. Business Phone: (____)_____ E-Mail Address: _____ Website:
- d. Date established:
Please attach proforma business plan if this is a start-up.

2. OPERATIONS

- a. Describe the nature of applicant's operations including types and percentage of services rendered:

%

Retail

Wholesale

Mail Order

Drug Benefit

Compounding

Other

Total (100%)

- b. Provide the following information for all of the states in which you are licensed:

State License No. Effective Date Expiration Date

- c. Are all drugs dispensed FDA approved? Yes ___ No ___ if no, please attach explanation.
- d. Complete the following information for each location you own.

Name and Address Your Ownership % Description of Operations

- e. Do you have any International operations? Yes ___ No ___
- f. Are any drugs imported? Yes ___ No ___ if yes, please attach explanation.
- g. Does licensed physician in State where services are rendered issue all prescriptions? Yes ___ No ___
- h. Is pharmacy in compliance with all local, state and federal laws that govern the manufacture, control, dispensing and distribution of prescription drugs? Yes ___ No ___
- i. Annual Number of prescriptions filled _____
- j. Annual Gross Receipts: (complete all applicable categories)

	Last 12 Months	Next 12 Months
From Prescription Sales:	\$ _____	\$ _____
From Sundries Sales:	\$ _____	\$ _____
From Medical Equipment Sales:	\$ _____	\$ _____
From Medical Equipment Rental:	\$ _____	\$ _____
From In Home Therapy:	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____
TOTAL:	\$ _____	\$ _____

k. Is the Applicant a "Covered Entity" under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy Rule?.....Yes ___ No ___

l. If yes,

(i) Has the Applicant implemented procedures to comply with the HIPAA Privacy Rule? Yes ___ No ___

(ii) Provide the name and title of the Applicant's Privacy Officer: _____

Our Business Associate Agreement is available at www.shand.com or by fax by calling (847) 572-6268 (Form No. ZZ50002). This is the only Business Associate Agreement we will recognize.

3. PROFESSIONAL SERVICES

a. Do you provide mail order services? Yes ___ No ___

if yes, provide details of safety controls to assure a licensed physician authorizes prescriptions.

b. Do you provide services to the following:

Nursing Home _____ Hospitals _____ Extended Care Facility _____ Correctional Facilities _____ MCOs _____

if yes, please provide copy of contract.

c. Do you provide Pharmacy Benefit Management services, including any of the following: drug utilization review, formulary management and design, medical necessity review, credentialing review, pharmacy data and supporting services. Yes ___ No ___

if yes, please attach list of five (5) largest clients and provide copy of sample contract.

d. Do you compound in bulk, manufacture or wholesale drugs or products? Yes ___ No ___

if yes, are active ingredients purchased from chemical factories that have registered with the FDA? Yes ___ No ___

e. Do you provide specialized pharmacy services such as nuclear, veterinarian or other? Yes ___ No ___

If yes, please provide details.

f. Are you a member of the Institute for safe Medication Practices (ISMP)? Yes ___ No ___

g. Please indicate the type of **medical supplies and/or equipment** you sell or lease or repair for others:

TYPE	ANNUAL SALES	LAST 12 MONTHS	CURRENT 12 MONTHS

4. STAFF

<u>Number</u>	<u>Type of Profession</u>	<u>Number</u>	<u>Type of Profession</u>
_____	Pharmacists	_____	Pharmacy Technicians
_____	RNs	_____	Respiratory Therapists
_____	Physicians	_____	Other

b. Are all of the above individuals licensed in accordance with applicable state and federal regulations? Yes ___ No ___
if no, please attach an explanation.

- c. Do you supervise or contract with any individual other than your own employees? Yes ___ No ___
if yes, please provide explanation of responsibilities and relationship to the entity, which employs these individuals.
- d. Do you require all contracted staff (if any) to carry their own Professional Liability Insurance and secure Certificates of Insurance as evidence of such coverage? Yes ___ No ___
- e. What limits of liability of Professional Liability are required? _____

5. RISK MANAGEMENT

- a. Are telephone orders only taken by a pharmacist from authorized professional staff and repeated back to the prescriber for verification? Yes ___ No ___
- b. Are products with known look-alike drug names stored separately and not alphabetically? Yes ___ No ___
- c. Do you have access to drug information (i.e., Drug Facts and Comparisons, Micromedex etc.)? Yes ___ No ___
- d. Do you perform pediatric dose range checks? Yes ___ No ___
- e. How do you detect drug contraindications, interactions, duplications against medical history and other prescribed drugs?
- f. What safety controls are in place to address problematic or look-alike drug names, packaging, or labeling?

- g. Are special alerts built into the system concerning problematic or look-alike drug names, packaging, or labeling? Yes ___ No ___
- h. What criteria are established (i.e. targeted high-alert drugs, patient population) to trigger required medication counseling (i.e. alert tag on bag)? _____
- i. Are all prescriptions dispensed with current written instructions? Yes ___ No ___
- j. Do you accept electronic prescriptions? Yes ___ No ___ if yes, what safety controls are in place to assure prescriptions are prescribed by licensed physicians?
- k. How are drug wastes and expired drugs disposed? _____

6. APPLICANT HISTORY/CLAIMS

- a. Have you or any of your employees:
- (i) Ever been the subject of disciplinary or investigative proceedings or reprimand by a governmental or administrative agency, hospital or professional association? Yes ___ No ___
 - (ii) Ever been convicted for an act committed in violation of any law ordinance other than traffic offenses? Yes ___ No ___ if yes, attach disciplinary agency documents.
 - (iii) Ever been treated for alcoholism or drug addiction? Yes ___ No ___
 - (iv) Ever had any state professional license or license to prescribe or dispense narcotics, refused, suspended, revoked, renewal refused or accepted only on special terms or ever voluntarily surrendered? Yes ___ No ___ if yes, attach disciplinary agency documents.
 - (v) Ever had any insurance company or Lloyd's cancel, decline, refuse to renew or accept only on special terms their malpractice insurance? Yes ___ No ___
- b. Please list Professional Liability insurance carried for each of the past ten years. IF NONE, STATE NONE.

<u>Insurance Carrier</u>	<u>Policy Number</u>	<u>Limits of Liability</u>	<u>Deductible (if any)</u>	<u>Premium</u>	<u>Inception Mo./Day/Yr.</u>	<u>Expiration Mo./Day/Yr.</u>	<u>Was this a</u>		<u>Retro Date</u>
							<u>Claims Made</u>	<u>Policy Form?</u>	
							Yes	No	
							[]	[]	
							[]	[]	
							[]	[]	

- c. Has any claim or suit been brought against you and/or any of your employees? Yes ___ No ___ if yes, provide the following information:
1. If a current loss summary is available from the present and previous carrier, please attach a copy.
 2. If a loss summary is not available, attach a Supplemental Claim Information Form showing the following information for each claim:
 - (i) Date of event and date claim was reported to the insurance company.

- (ii) Description (cause) of loss or claim.
- (iii) Location of loss.
- (iv) Current status (open or closed)
- (v) Paid amount and current reserve amount.

3. Are you aware of any circumstances which may result in a malpractice claim or suit being made or brought against you or any of your employees? Yes ___ No ___ if yes, attach details.

d. Please list prior General Liability insurance carried for each of the past five years. If none, state "NONE".

<u>Insurance Carrier</u>	<u>Policy Number</u>	<u>Limits of Liability</u>	<u>Deductible (if any)</u>	<u>Premium</u>	<u>Inception Mo./Day/Yr.</u>	<u>Expiration Mo./Day/Yr.</u>	<u>Was this a Claims Made Policy Form?</u>		<u>Retro Date</u>
							<u>Yes</u>	<u>No</u>	
							[]	[]	
							[]	[]	
							[]	[]	

7. GENERAL LIABILITY

a. Please complete the following for each of your facilities if you desire General Liability insurance:

<u>Location Number</u>	<u>Parking Lot or Name and Location Address</u>	<u>Description of Type of Facility</u>	<u>Garage Maintained by Insured?</u>	<u>Adjacent Exposure?</u>	<u>Square Footage</u>
(i) _____	_____	_____	[] Yes [] No	[] Yes [] No	_____
(ii) _____	_____	_____	[] Yes [] No	[] Yes [] No	_____
_____	_____	_____	[] Yes [] No	[] Yes [] No	_____

b. Please complete the following for each location:

- (i) Year built _____
- (ii) Year Remodeled _____
- (iii) Number of Stories _____
- (iv) Construction: Frame, Brick, Concrete _____
- (v) Percentage of Building Occupied by Insured _____
- (vi) Other Occupancy _____
- (vii) Location Number _____

c. Is the Building Equipped with:

- (i) Complete Sprinkler System? [] Yes [] No
- (ii) At Least Two Clearly Marked Exits at Each Floor? [] Yes [] No
- (iii) Self-Closing Fire Doors on Each Floor? [] Yes [] No
- (iv) Automatic Fire Alarm System Connected to Local Fire Department? [] Yes [] No
- (v) Smoke Detectors? [] Yes [] No
- (vi) Emergency Electrical System? [] Yes [] No
- (vii) Heat Sensors? [] Yes [] No
- (viii) Fire Escape(s)? [] Yes [] No
- (ix) Posted Emergency Evacuation Procedures? [] Yes [] No
- (x) Properly Maintained Fire Extinguishers?..... [] Yes [] No

d. Is a formal written safety program in place? [] Yes [] No

(if yes, please attach a copy of the safety program.)

e. Are written procedures in effect for incident reporting? [] Yes [] No

f. Any exposure to flammables, explosive, chemicals? [] Yes [] No

- g. Any catastrophe exposure? [] Yes [] No
- h. Any exposure to radioactive materials? [] Yes [] No
- i. Do operations involve storing, treating, discharging, applying, disposing, or transporting hazardous materials? [] Yes [] No
- j. Machinery or equipment loaned or rented to others? [] Yes [] No
- k. Are there any elevators or escalators owned by you? [] Yes [] No
if yes, please indicate model and if the elevator and/or escalator is serviced by you under a maintenance contract.
- l. Any parking facilities owned/rented? [] Yes [] No
- m. Recreation facilities provided? [] Yes [] No
- n. Is there a swimming pool on the premises? [] Yes [] No
- o. Sporting or social events sponsored? [] Yes [] No

10 Year General Liability Loss History (attach further sheets if needed)

p.	Date of Occurrence	Date Claim Made	Amount Description of Loss	Amount of Loss Reserved	Amount Expenses Paid	Amount of Loss Reserved	Open (O) Expenses Reserved	or Closed (C)
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- q. Are you aware of any circumstances that may result in a general liability claim or suit being made or brought against you? [] Yes [] No
if yes, please attach a Supplemental Claim Form

* NOTICE TO APPLICANT: The coverage applied for is SOLELY AS STATED IN THE POLICY, which provides coverage on a "CLAIMS MADE" basis for ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD unless the extended reporting period option is exercised in accordance with the terms of the policy.

WARRANTY: I/We warrant to the Insurer, that I understand and accept the notice stated above and that the information contained herein is true and that it shall be the basis of the policy of insurance and deemed incorporated therein, should the Insurer evidence its acceptance of this application by issuance of a policy. I/We authorize the release of claim information from any prior insurer to Shand Morahan & Company, Inc., Underwriting Manager for the Company.

Name of Applicant _____ Title (Officer, partner, etc.) _____

Signature of Applicant _____ Date _____

SIGNING this application does not bind the Applicant or the Insurer or the Underwriting Manager to complete the insurance, but one copy of this application will be attached to the policy, if issued.

**BROKER RISK SUMMARY
(Medical Malpractice and Specified Medical)**

ACCOUNT NAME:

Address

City, State, Zip
States of Licensure
New or Renewal for Shand

DESCRIPTION OF SERVICES:

(Include management experience & staffing)

CURRENT INSURANCE PROGRAM:

Name of Carrier: _____

Limits: _____ Deductible: _____ Premium: _____

Expiration Date: _____ Retro Date: _____

LOSS EXPERIENCE:

(7-10 years currently valued loss information)

RISK MANAGEMENT/QUALITY ASSURANCE PROGRAM:

(Including Credentialing/hiring protocols)

DATE QUOTE NEEDED: