

Gulf Atlantic Legal Defense Insurance, Inc.

Some Questions and Answers About Our Legal Expense Insurance Policy

1. *What is legal expense insurance?*

Legal Expense Insurance is insurance which reimburses you for most legal expenses and attorneys' fees associated with a covered claim. These fees and expenses are referred to as "Defense Costs" in the Gulf Atlantic policy.

2. *If I purchase legal expense insurance, how does the Gulf Atlantic Legal Defense Insurance policy help me if I get sued?*

If you purchase the Gulf Atlantic Legal Defense policy it will pay most Defense Costs associated with your covered claim or suit up to \$100,000 per claim, subject to a \$200,000 annual aggregate.

3. *Will this type of policy also make indemnity payments on my behalf?*

No. This policy only pays for covered defense costs associated with the defense of your claim. It does not pay any damages awarded against you, nor will it indemnify you for any voluntary settlement or judgment. Further, defense costs do not include pre- or post- judgment interest, appeal bonds or court costs taxed as part of any judgment.

4. *When is a claim covered by this kind of policy?*

As with many professional liability insurance policies, the claim must first result from a covered medical incident as defined by the policy, the professional services that were provided or that should have been provided must have occurred after your retroactive date, and the claim must be reported while the policy is current and in effect.

5. *Who controls the litigation of my claim?*

You do. You and you alone make the ultimate decisions about your claim. Only you decide whether or when to settle your claim. You, in consultation with your selected attorney, make the decisions concerning how to defend the claim, because you ultimately pay any judgment or settlement. Our involvement with the claim will be limited to confirming coverage, making sure that your attorney's billings are reasonable and customary, and to reimburse you for these defense costs. We can pay many of the defense costs directly so that you won't incur an out-of-pocket expense.

6. *Can I select anyone to represent me?*

You can select any licensed Florida attorney to represent you. Gulf Atlantic has been involved in providing medical professional liability in Florida for over 25 years. In that time, we have developed a panel of attorneys having expertise in medical malpractice defense. We will provide you with a listing of our panel counsel in your area. If you select from our panel counsel listing we will reimburse you or pay directly 100% of the panel counsel's legal fees incurred in defending the claim, subject to the policy's limits of liability.

7. *What if the attorney I want to use isn't on Gulf Atlantic's "panel counsel" list?*

You can choose any attorney you want so long as they are licensed in Florida. However, the most we will pay for their services is 80% of their reasonable fees incurred in defending the claim, not to exceed \$125 per hour.

8. *What if I chose an attorney from your "panel counsel" list and they cannot represent me?*

We will work with you to find another qualified attorney in your area to represent you. Once another attorney is selected we will pay them normal panel counsel rates for your area.

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9. *Who pays my attorney's legal fees – Gulf Atlantic or me?*

Once you receive and approve the invoice you can pay the bill directly and send it to Gulf Atlantic for reimbursement or you can send the approved invoice to Gulf Atlantic for direct payment to your attorney. If you utilize panel counsel, you can direct the bill to be sent directly to us for payment if you choose. We will from time to time receive bills for expert witness fees, deposition costs, copying charges, etc., directly from your attorney or the service provider. We will pay these bills and provide you with a periodic summary of the amounts paid to date.

10. *How will I know how much has been spent on my case?*

Part of Gulf Atlantic's commitment to you is to keep you fully informed with respect to your coverage. Your policy limits are \$100,000 per claim. We will periodically send you, and your attorney, written notices reflecting how much we have paid on your behalf and how much remains on your policy of insurance. You may also call us any time for an update as to how much we have paid on your behalf.

11. *Just what does "Defense Costs" include?*

First and foremost, defense costs include your attorney's hourly fee for defending your claim. It also includes travel and other expenses your attorney may incur, and includes expert witness fees, court reporter fees, trial exhibits, photocopying charges, meals, etc.

12. *Do I get to choose my own expert(s)?*

You, in conjunction with your attorney, will choose what experts are needed for your claim.

13. *Does Gulf Atlantic offer higher limits?*

No. \$100,000 is the highest limit available at this time.

14. *What happens if my Defense Costs exceed \$100,000?*

The most we will pay for attorney fees and expenses related to any one claim is \$100,000. We will provide you with periodic notices as to how much has been paid on your behalf and the remaining policy limits. Once the \$100,000 has been exhausted, you are responsible for all defense costs incurred after that point. When it appears that you will be close to exhausting your limits of liability under your policy, you will need to discuss billings and payment issues with your selected attorney.

15. *Can I purchase Prior Acts coverage under this policy?*

Yes, you can. Gulf Atlantic offers full prior acts coverage, subject to underwriting approval. If you are considering purchasing prior acts expense-only coverage, remember that this policy does not include coverage for damages arising out of those claims. Therefore, any medical incidents which could be covered by your prior carrier should be reported prior to the termination of that policy.

16. *Does the Gulf Atlantic policy cover legal expenses associated with AHCA investigations? What about legal expenses associated with Medicare/Medicaid audits?*

Yes, these coverages are available by endorsement. The premium for each endorsement is \$250. Our AHCA Defense Coverage Endorsement provides up to \$15,000 in legal expenses in the defense of a licensure investigation arising out of a covered claim. The Medicare/Medicaid Defense Coverage Endorsement provides up to \$15,000 in legal expenses in the defense of a regulatory investigation of Medicare/Medicaid involving usage and/or billing practice.

17. *Can I purchase an extended reporting endorsement, or "tail coverage" when I end coverage under my Gulf Atlantic policy?*

Yes. If your coverage terminates for any reason other than the failure to pay premiums, you have the right to purchase an Extended Reporting Endorsement, or "tail coverage". You must request this endorsement and pay the premium for it no later than 60 days after coverage terminates. The extended reporting endorsement allows you to report claims arising from medical incidents which occurred after your selected retroactive date and before the policy termination date, but which you first discovered after the termination date of the policy.