GLOSSARY OF TERMS AND DEFINITIONS

The attached application may contain terms that are unfamiliar. This glossary of terms and definitions will assist.

TERM	DEFINITION
Professional Corporation	**Professional Corporation means a corporation that is formed under Schedule 1 of the Ontario Regulated Health Profession Act (1991).** It reduces the practitioner's marginal tax rate from 46.4% to 18.6%, and allows family members to become non-voting shareholders, providing an opportunity to split the practice income between them. Unlike conventional forms of incorporation, a professional corporation does not shield the practitioner from his/her liability for injury. The practitioner remains personally responsible for his/her professional activities. It is important to add your professional corporation (if any) to the professional liability policy, in addition to your own name. **There is no additional premium charge for adding the name of a professional corporation to your application.**
Entity	**For the purposes of your insurance application, an entity means an association, corporation (other than a professional corporation), partnership, proprietorship, or trust that has a legal standing in the eyes of the law**. An entity has the legal capacity to enter into agreements or contracts, assume obligations, incur and pay debts, sue and be sued in its own right, and to be held responsible for its actions. For example, Pete Smith has a professional corporation, and also operates Sun Rise Optical Eyewear Inc in conjunction with his practice. He will require professional liability coverage in the name of Peter Smith, and/or Peter Smith Professional Corporation. He will also require coverage to defend the entity Sun Rise Optical Eyewear Inc. in the event that the entity is named in a claim. There is space in the application for your name, the name of your professional corporation (if any), and the name(s) of business entities, if (any) **There is no additional premium charge for adding the name of your entity.**
Per Occurrence	In liability insurance, the maximum amount an insurer will pay for all claims arising from a single incident, no matter how many people are injured.
Aggregate Limit of Liability	The OAO program contains a policy aggregate that is 3 times the limit purchased, up to a maximum of $10,000,000. This means that a member can have multiple claims under their policy in a single term, up to their policy aggregate. All aggregate limits exceed the requirements of the Ontario College of Optometrists
Vicarious Liability	**For the purposes of the insurance application, vicarious liability deals with the liability of an employer for the negligent acts of his/her employees.** If the employee's act of omission or commission occurs within the scope of their employment resulting in injury to a patient, both the employer and the employee can be named as joint and several defendants in a suit for damages. Insurance coverage for vicarious liability is strongly recommended if you are involved in a partnership with other practitioners, hire optometrists (either full or part time, or occasionally) as employees, use the services of optometrists under an independent contractor agreement to work on your behalf, have optometry students under you supervision from time to time, or if your practice includes employed opticians (whether or not registered) who dispense, or other employees who conduct tests, eye examinations or related procedures and evaluations under your direction.
Professional Liability Insurance	Professional liability insurance is intended to cover claims made against a professional person for damages resulting from the alleged or actual failure on the part of the professional to meet the expected standards in the performance of professional services.
Legal Expense Coverage	The policy provides up to $100,000 of legal expense coverage. Expenses under this heading are specifically related to the legal fees that you might be required to pay to properly defend yourself, if you should become the subject of disciplinary proceedings initiated by the College. **This basic coverage is included in the policy without any additional charge.** **An enhanced limit option 1** providing $150,000 per loss occurrence, and $250,000 in the policy aggregate of all occurrences, is available for an additional annual premium of $54 plus taxes **An enhanced limit option 2** providing $250,000 per loss occurrence, and $250,000 in the policy aggregate of all occurrences, is available for an additional annual premium of $92 plus taxes **(If you wish to include enhanced coverage in your application, please select the appropriate box.)**

Cyber Insurance	Protects the insured from the theft of patients' health records and the costs associated from third party and first party claims. A Cyber risk can be triggered by a click on a malicious link in an email, loss of a computer containing personal information, theft of the data etc. When things go wrong from loss or theft of data, the resulting damage to the Insured their reputation can be problematic. **Cyber coverage is available via extensions as part of the OAO PLI program, including an option recommended for associates. HUB also offers a more comprehensive stand-alone cyber/privacy breach policy for clinic owners to consider.** **Multi-Factor Authentication (MFA) will be required for Option B or C in order to purchase a cyber extension on the OAO PLI program**
Legal Support **Miller Thomson** **ON CALL program**	The 'On Call' legal program remains a valuable feature of the OAO program. This legal service is provided by Miller Thompson, a top tier Toronto law firm, and is available to policy holders 24/7. The following range of services are provided by Miller Thompson without charge: • Advice with respect to a discrete aspect of an administrative or clinical policy and procedure • Advice and direction concerning consent and capacity matters, discharge or other patient care issues • Preliminary advice relating to potential claims, incident or error management • Review and advice in regards to summons to witness, subpoena or release of information request • Review or development of simple consent forms, waivers or releases • Advice with respect to college administrative by-laws or regulations Advice regarding specific statutory, regulatory or common law obligations
Special premium rate for new graduates	New graduating optometrists **in their first (part) year of practice** can purchase PLI coverage at the College of Optometrists (COO) requirement of $2 million liability limit, from the time of licensing after graduation, until March 15 of the next annual PLI renewal, at a premium cost of $50.00 plus tax. (Flat rate – no prorating)

CYBER INSURANCE -THE RISK EXPOSURE

There is ample contemporary evidence that computer based information systems are vulnerable to attack, or to the accidental disclosure of private and highly sensitive information. Many OD offices are likely still using patient records that are wholly or partly paper based; but the majority of ODs now also control an electronic data bank that is full of highly sensitive and confidential medical information. Many of these electronic recording systems "stand alone", and are accordingly substantially protected from importing malware and from hacking. In other instances, the OD's computer systems will link with Local Area Networks (LANs) or Managed Private Networks, (MPNs), to and from which the OD contributes and draws down confidential and highly sensitive patient information.

Subject to its governing terms and conditions, the OAO's Professional Liability Insurance policy (PLI) covers liability arising from invasions of privacy, but there is one important exception.

THE PLI COVERAGE CYBER EXCLUSION

The OAO's professional liability policy wording specifically excludes coverage for liability arising from any **claim** based upon or arising out of the use or release of confidential or proprietary information by any **insured**, or the failure by any **insured** to comply with any **privacy law**.

RISK EXPOSURE CATEGORIES AND COMPUTER PRIVACY INSURANCE

ODs' privacy breach exposure seems to fall into three categories.

First and most obvious, paper files are not affected by this coverage exclusion.

Second, those who employ "stand alone" computer-based record systems face a narrow but significant uninsured risk exposure - there are plenty of examples of catastrophic breaches of privacy as a result of a stolen laptop or a carelessly handled USB flash drive. In addition, cyber attackers can make their way into a "stand-alone" system.

The third category is the most significant. The exposure arises from the trend towards information networking, through FHT or clinic sponsored LANs, or through MPN information service providers such as e-Health Ontario. In the opinion of many experts, computer systems that use LANs, MPNs or commercial ISP connections fall into one of two categories: those that have already been hacked and those that are about to be hacked.

Society has been slow to recognize the need, and the insurance industry in particular has been slow to provide the specialized supplementary insurance that is required to give financial protection against these hazards. There are too many examples in which pride in the impregnability of technical security defenses has been misplaced.
Insurers continue to slowly "feel their way" through the information connectivity security minefield. Underwriting capacity, in both the financial and intellectual sense of the word, is beginning to grow; but in the meanwhile, policy limits tend to be modest, many exposure uncertainties remain, and premiums can be very substantial.

KEY TERMINOLOGY IN CYBER/PRIVACY BREACH INSURANCE

Each Occurrence – each incident of a privacy breach during the policy term
Each Occurrence Limit – maximum limit the policy will pay out for a single incident of a privacy breach
Aggregate Limit – maximum that the policy will pay out in total during the policy term.

Third Party Claims/Costs – the costs associated with a claim brought by a third party.

First Party Costs – the costs associated with cyber breach forensics, crisis management and public relations

- Breach Response costs
  - Computer forensics to determine cause of loss
  - Legal fees associated with regulatory requirements
  - Notification costs and credit monitoring fees as mandated by federal privacy regulations
- Crisis Management costs
  - Fees for public relations consultant to mitigate reputational damage as a result of a privacy breach
- Business Interruption costs
  - Loss of earnings as a result of a privacy breach
- Cyber Extortion/Ransom payment
- Digital Asset restoration
  - Recreating patient/clinic data that was lost as a result of a privacy breach

Cyber-Extortion/Ransom Threat – introduction of malicious code, denial of service, corrupt computer system or release patient privacy data
Cyber-Extortion/Ransom Payment – sum paid to third party believed to be responsible for cyber-extortion threat

Multi-Factor Authentication – an electronic authentication method (usually a random code) entered after a password that allows for an additional level of security prior to gaining access to desired system.

THE OAO CYBER INSURANCE PROGRAM

Cyber coverage is no longer included under the OAO professional liability policy. This change was attributed to the significant increase in cyber losses, both within the OAO program and in the insurance marketplace as a whole.

OPTIONAL CYBER INSURANCE EXTENSIONS AVAILABLE:

The cyber extensions referenced below provide various levels of cyber insurance, and can include areas of coverage that OD's could require in the event of a cyber breach: **business interruption and cyber-extortion/ransom attacks.**

The optional cyber extensions available to OAO members are as per below:

Option A Additional Charge of $472 plus tax - LIABILITY ONLY Includes:

1) $100,000 Each Security/Privacy Liability Occurrence and Annual Aggregate ($2,500 deductible)
    - NOTE: this coverage is best suited for Associate OD's who do not own a clinic/practice
    - This extension will provide defense and settlement should the Associate OD be named in a privacy breach/cyber liability claim by a third party (e.g. a patient)

Option B Additional Charge of $855 plus tax Includes:

1) $500,000 Each Security/Privacy Liability Occurrence and Annual Aggregate ($3,500 deductible)
2) $100,000 First Party coverage (each occurrence), crisis management expenses, breach response costs, public relations expense, forensic and legal expense, data restoration expense ($3,500 deductible)
3) Business Interruption, 12 hour waiting period (included in above limit)
4) Cyber-Extortion & Ransom Expenses $100,000 (each occurrence) ($3,500 deductible)
5) Option B Cyber Extension Annual Aggregate of $500,000 for both first party and third party liability claims

Option C Additional Charge of $1,180 plus tax Includes:

1) $1,000,000 Each Security/Privacy Liability Occurrence and Annual Aggregate ($5,000 deductible)
2) $250,000 First Party coverage (each occurrence), crisis management expenses, breach response costs, public relations expense, forensic and legal expense, data restoration expense ($5,000 deductible)
3) Business Interruption, 12 hour waiting period (included in above limit)
4) Cyber-Extortion & Ransom Expenses $250,000 (each occurrence) ($5,000 deductible)
5) Option C Cyber Extension Annual Aggregate of $1,000,000 for both first and third party liability claims

The PLI application form provides the above noted enhanced cyber insurance options with coverage set out as follows:

INSURING AGREEMENT A (THIRD PARTY – SECURITY/PRIVACY LIABILITY)

Subject to its terms and conditions, the policy will pay on your behalf, damages that the insured becomes legally obligated to pay as a result of a loss sustained directly by an insured client or protected person.

INSURING AGREEMENT B (BREACH RESPONSE COSTS)

Where applicable - Subject to its terms and conditions, the policy will pay on your behalf all damages for breach response and crisis management costs as defined in the policy

INSURING AGREEMENT E (CYBER-EXTORSION EXPENSES)

Where applicable - Subject to its terms and conditions, the policy will reimburse for Cyber-Extortion Expenses and Cyber-Extortion Payments directly resulting from a Cyber-Extortion Threat

INSURING AGREEMENT F (BUSINESS INTERRUPTION)

Where applicable - Subject to its terms and conditions, the policy will pay for the "Business Income and Reputational Harm Loss" that an insured sustains due to a network disruption caused by a privacy breach

INSURING AGREEMENT G (DIGITAL ASSET RESTORATION (DATA RESTORATION))

Where applicable - Subject to its terms and conditions, the policy will reimburse for restoration costs incurred due to destruction/damage/loss of digital assets (data) resulting from a privacy breach

Please note that the above is a summary only and that the formal policy wording takes precedent in the event of a claim.

Your need for this coverage will obviously vary widely from member to member, depending on your computer systems, data storage, and overall record keeping profile.

It is important to note that the extensions do not provide the same coverage that can be obtained via a stand-alone cyber/privacy breach policy. A stand-alone cyber policy provides broader coverage, with higher available limits, potentially lower deductibles and access to pre-breach services from the insurer.

Based on the above, HUB recommends that clinic/owners consider a stand-alone cyber insurance policy, which would protect all clinic/practice owners and entities, associated OD's and employees.

If you require more substantial limits or coverage that is more closely tailored to your needs, contact:

OAO Team at HUB International, toll free at: 1-855-565-4626 or email us at oao@hubinternational.com