

## Healthcare Industry Risk Solutions

From HIPAA privacy concerns to EMTALA claims to antitrust allegations arising from mergers, healthcare board members and executives face ever changing legal and regulatory issues, which require distinctly targeted coverage to protect their assets. Drawing on our in-depth experience and insight into such exposures, Chartis created coverage to optimally address the risks confronting healthcare organizations.

We focus on innovative ways to meet the unique needs of clients with expansive forms and tailored healthcare enhancements. With more than four decades of experience underwriting executive liability insurance, Chartis has a proven commitment to being the leader for directors and officers, employment practices, fiduciary and fidelity coverage for the healthcare industry.

### The Foundation You Need

These latest healthcare enhancements expand our market-leading solutions for private and non-profit organizations, including:

#### Not-for-Profit Risk Protector®

Our modular package that gives non-profit organizations their choice of one or more of six management and professional liability coverages, including Directors, Officers and Private Company Liability Insurance, Employment Practices Liability Insurance, Fiduciary Liability Insurance, Fidelity Insurance, Employed Lawyers Professional Liability Insurance, and Kidnap & Ransom/Extortion Insurance.

#### PrivateEdge Plus

Our flexible insurance package that gives private companies of any size market-leading management and professional liability coverages tailored precisely to their needs. The policy can include: Directors, Officer and Private Company Liability Insurance, Employment Practices Liability Insurance, Fiduciary Liability Insurance, Fidelity Insurance, Employed Lawyers Professional Liability Insurance, Miscellaneous Professional Liability Insurance, and Kidnap & Ransom/Extortion Insurance.

### Features & Benefits

Enhanced coverage for healthcare risks extends our market-leading management liability insurance with explicit and expansive protection in key areas, including:

- > An expanded definition of individual insureds includes healthcare occupations and roles
- > Defense costs coverage is provided (on a sublimited basis) for claims demanding return of governmental funds
- > “Employment practices violation” includes defects in peer review or credentialing, a substantial exposure for healthcare operations
- > Coverage for claims alleging discrimination in entry selection for a human clinical trial
- > Coverage for insurable civil fines and penalties under the Emergency Medical Treatment and Active Labor Act (EMTALA) and the Health Insurance Portability and Accountability Act (HIPAA), including the Health Information Technology for Economic and Clinical Health Act (HITECH Act)
- > An expanded definition of organization includes any auxiliary, guild or foundation
- > Antitrust and punitive damage coverage available

Healthcare organizations also benefit from the damage-mitigating power of our CrisisFund® crisis management communications coverage, with special expansions for this sector that:

- > Expand the extensive list of potential crisis events triggering coverage to include public announcements and other potentially detrimental media events
- > Allow the insured to select any qualified law firm to partner with them in managing a crisis event
- > Ensure first-dollar crisis management coverage and higher-then-ever limits

### Why Specialized Protection for Healthcare Risks?

Healthcare organizations face claims from a variety of sources, including shareholders, patients, regulatory bodies and attorneys general. These claims often involve serious allegations. Defending claims can require millions of dollars in legal expenses alone, as illustrated by the following cases:

#### Sexual and Disability Discrimination

A group of former employed register nurses filed suit asserting sex and disability discrimination. The plaintiffs alleged that they were not considered for promotion into management and/or for more desirable shifts because they were pregnant. The suit was certified as a class action by the State Court. During the initial fact discovery the matter was resolved with prejudice in private mediation for \$900,000. The insured incurred approximately \$1.2 million in defense costs.

## A Charitable Services Challenge

A class action was asserted against a major nonprofit hospital system by uninsured patients who said they were charged excessive fees for services rendered. The plaintiffs established that the hospital charged uninsured patients more than insured patients for the same medical procedure or service. The plaintiffs also showed that the hospital did not openly make available to the uninsured patient the “available free charitable” services mandated by its bylaws. A settlement reached through mediation exceeded \$7 million. Additional defense fees tallied more than \$2.5 million.

## Anti-Trust Action

A private physician practice/clinic filed an anti-trust action against a major regional non-profit hospital alleging that the hospital would not accept patients from the clinic for follow-up tests and treatments as outpatients or subsequent to hospital admission. The matter was resolved for \$1.6 million.

## Exclusion from Clinical Trial

A plaintiff claimed that the defendant hospital's clinical trial study specifically targeted African-American or Hispanic male children, expressly excluding white children. Allegations included discrimination, violation of a minor's constitutional rights, unauthorized human subject research, equal protection, negligence and breach of statutory care. The matter was resolved for \$380,000.

## Qui Tam Action and Retaliation

Two plaintiffs brought a qui tam action against a nonprofit hospital for allegedly defrauding the government and retaliating against the plaintiffs for whistleblowing. The plaintiffs asserted that over a 10 year period the hospital submitted to the government false and fraudulent patient claims and hospital cost reports in order to obtain millions in reimbursement for services not performed. The hospital paid \$600,000 to resolve the case (\$450,000 settlement, plus \$150,000 defense costs).

To learn more about healthcare industry risk solutions, please visit [www.chartisinsurance.com](http://www.chartisinsurance.com), e-mail [executiveliability@chartisinsurance.com](mailto:executiveliability@chartisinsurance.com), or contact your insurance broker.

### Are you doing enough to mitigate data security risk? Learn more about:

**Security & Privacy Coverage:** Defense and indemnity for legal liability to others arising from a network security failure or privacy event

**Event Management:** Responds to the costs to retain public relations services to assist in managing and mitigating a covered privacy or network security incident

**CyberExtortion:** Pays to settle network security related extortion demands made against the insured

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Chartis is a world leading property-casualty and general insurance organization serving more than 45 million clients in over 160 countries and jurisdictions. With a 90-year history, one of the industry's most extensive ranges of products and services, deep claims expertise and excellent financial strength, Chartis enables its commercial and personal insurance clients alike to manage virtually any risk with confidence.

Chartis is the marketing name for the worldwide property-casualty and general insurance operations of Chartis Inc. For additional information, please visit our website at [www.chartisinsurance.com](http://www.chartisinsurance.com).

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The risks and claims scenarios summarized above are offered only as examples of the types of claims filed against healthcare organizations. Coverage depends on the actual facts of each case and the terms, conditions and exclusions of each individual policy. Anyone interested in a Management Liability policy should request a copy of the policy itself for a description of the scope and limitations of coverage. Policy terms may vary based on individual state requirements and may not be available in all states.