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Hospital Property and Liability Insurance Coverage's

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AGENDA



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- 1) Review common coverage gaps/issues in Hospital insurance policies
- 2) Outline some coverage's not often purchased by Hospitals
- 3) Outline some current trends in the insurance marketplace for hospitals

PROPERTY INSURANCE



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- 1) EQ and Flood coverage's are not understood and therefore either not purchased OR not designed adequately
- 2) For Hospitals West of the mountains, Underwriters are focused on the seismic updates for older hospitals in their pricing and acceptance of EQ products
- 3) Crime Coverage limit is too low
- 4) Crime Coverage does not include computer related losses

AUTOMOBILE



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- 1) Automobile limits of liability are too low (not scheduled on the umbrella or excess policy)
- 2) Policies reflect a minimum exposure (maintenance) yet there are various vehicles used for patient transport

D & O Liability



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- 1) Underwriters have concerns over the amount of Physician acquisitions, strategic partnerships and the formation of ACO's
- 2) Underwriters are reviewing financials closely in order to accept the risk and price. Hospitals having financial issues will see this reflected in their D & O premiums
- 3) Ensure that your policy contains coverage for Anti Trust
- 4) Ensure if you have any joint ventures or LLC's that the D & O policy is written correctly. There is NOT always automatic coverage for additional insured's/entities

CYBER/PRIVACY LIABILITY



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- 1) Do any of your other coverage's provide protection against claims from third parties in the event your systems are penetrated or compromised?
- 2) Do you and your IT department have a plan in place NOW in the event confidential third party information is compromised in terms of notification and rehabilitation?
- 3) Does your IT department have relationships with third party vendors that will assist in the forensic identification of hackers footprints?
- 4) Does your IT department work with your Compliance team in terms of an adequate HIPAA monitoring and annual security check?
(Penetration Testing)

BILLING E & O



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- 1) Protection in the event of claims from third parties regarding actual or alleged billing wrongful acts
- 2) Provides monies to pay for Audit Expenses in the event of a third party audit due to actual or alleged billing wrongful acts

ACO / Partnership Liability



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- 1) Do your current policies pick up exposures from strategic partnerships or the formation of ACO's?
- 2) Current question facing the industry is who is responsible for alleged acts of medical malpractice within an ACO organization? How does indemnification work? Whose insurance policy is primary?