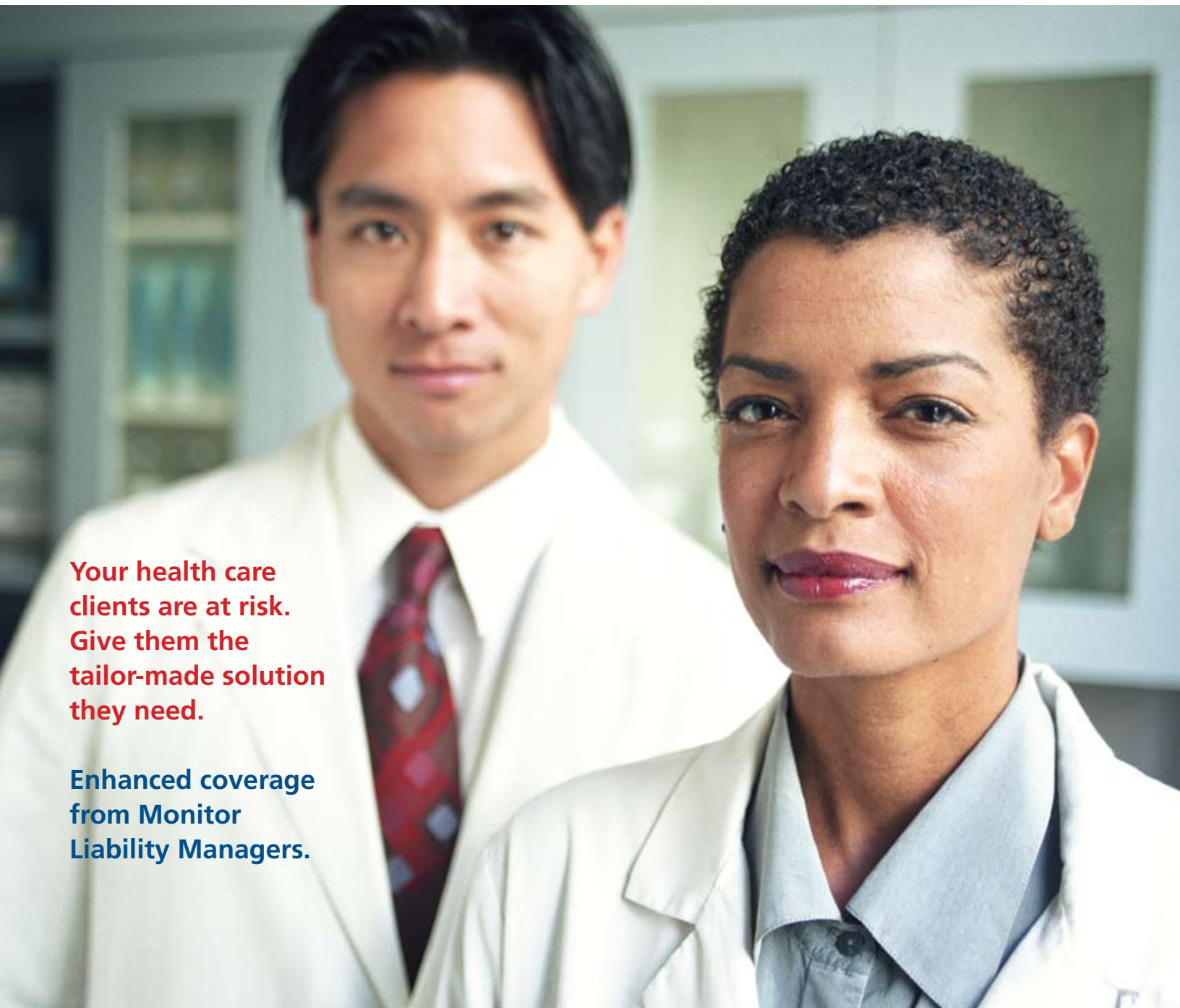


# Management Liability Coverage for Medical Facilities



**Your health care  
clients are at risk.  
Give them the  
tailor-made solution  
they need.**

**Enhanced coverage  
from Monitor  
Liability Managers.**

# The Management Liability Risk to Your Health Care Clients is Real

Risk management is one of the most critical concerns for any health care provider. Everyone knows about the malpractice risk. Unfortunately, more and more health care provider organizations — including their owners, directors, managers and medical staff — are learning first-hand about the consequences and costs of management liability risk as well. The financial burden can be especially severe for small to mid-sized provider organizations that may not have the coverages or the resources they need to defend themselves against management liability claims.

## How Big is the Risk?

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Management liability lawsuits brought against health care providers today range from employment issues such as harassment, discrimination and wrongful termination to medical professional issues such as credentialing and peer review to corporate practices such as antitrust, breach of fiduciary duties and mismanagement. And everyone is at risk — the organization as well as its leadership, practitioners and staff.

Such lawsuits can come from almost any source: patients, employees and staff, regulatory agencies, vendors, lenders or even competitors. With ever-increasing scrutiny from patients, the public and regulators, no health care organization is immune. All are at risk.

The stakes are high and litigation can drag on for years. Monitor has seen the number of health care claims increase in recent years and has defended claims that have run in the hundreds of thousands of dollars.

## You Can Give Them the Solution They Need

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The risk for your clients is real and significant. So is the protection you can offer them through Monitor Liability Managers' newly enhanced Management Liability Program for medical groups, independent physicians associations and home health care organizations. Examples of eligible organizations include but are not limited to:

- ▶ General practice physician offices
- ▶ Specialty physician offices
- ▶ Dental offices
- ▶ Outpatient general care clinics
- ▶ Outpatient emergency care facilities
- ▶ Radiology clinics
- ▶ Other qualifying health care organizations

Managed care plans, nursing homes, hospitals and their affiliated emergency treatment centers are not eligible.

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## Enhanced Coverage

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In addition to the comprehensive management liability coverages that we've always offered, Monitor has recently expanded our offering to include coverages that these types of health care organizations desperately need. These are enhancements — not often found in typical management liability policies — that Monitor offers to this specific group of clients.

- Members of the organization's peer review committee are covered as insureds.
- All insured persons are covered for alleged violations of Title II of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- Third-party liability coverage is provided for claims brought by patients or clients for discrimination and/or harassment. Any organization that deals with the general public faces this exposure.
- Express coverage for any claim against the insured for accreditation, certification, credentialing, professional assessment, peer review, sponsoring or standard-setting activities conducted by the insured organization or on its behalf.

This enhanced program is designed specifically for small to mid-sized health care organizations ranging from one to 500 employees. Deductibles are available as low as \$10,000 and limits are available up to \$2,000,000 per coverage section purchased.

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## Protect Them from the Consequences

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By offering your clients this coverage from Monitor, you help them manage the risks and avoid the burdens of management liability-related claims including:

- Litigation expenses
- Time spent away from daily work activities
- Stress and emotional toll on management and employees
- Negative publicity and reputational damage
- Potentially devastating financial settlements



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## A Trusted Source

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Monitor has a proven track record of delivering high-quality, affordable and flexible management liability coverages that address the particular needs of small to mid-sized health care organizations. We pride ourselves not only on managing claims to optimal resolution through our in-house claims staff, but also on helping to prevent claims from arising in the first place. This includes loss prevention services and a toll-free hotline that clients can call for expert advice on any employment-related issue at no additional charge.

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## Strength and Stability

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Monitor Liability Managers, Inc. is a wholly owned subsidiary of W. R. Berkley Corporation and operates nationwide as an underwriting management company specializing in professional liability insurance. Berkley has more than \$3.3 billion in policyholders' surplus, \$15.7 billion in total assets and in 2006 wrote \$5.3 billion in premium.

Monitor places coverage with two Berkley-affiliated companies: Admiral Insurance Company (A.M. Best Rating: "A+" Superior) and Carolina Casualty Insurance Company (A.M. Best Rating: "A" Excellent). Backed by the strength of the Berkley Group, this unique structure provides Monitor's insureds with the resources of a larger corporation combined with the outstanding personalized customer service of a smaller company.

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## Learn More

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Monitor will give you all the information and resources you need to present our Management Liability coverage to your health care clients and to show them the advantages of working with you to manage their risks. For more information, please contact:

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Give your clients the high-quality management liability protection they need and deserve. Build your book of business with a proven and trusted partner. Contact Monitor Liability Managers today.

## **Medical Facility Management Liability Claims**

Here are some examples of the damage a management liability claim can cause.

### **Emotional Distress**

A former employee of a Monitor-insured MRI services provider alleged that after learning that he was working for a competitor, one of the insured's partners threatened him with civil and criminal action, financial hardship, bodily injury and conspired to have him incarcerated for aggravated stalking. His complaint alleged malicious criminal prosecution, intentional infliction of emotional distress, false imprisonment, abuse of process, tortious interference with an existing contract and conspiracy. Monitor defended the matter on behalf of the insured and its partner and paid \$166,000 in defense costs. The matter ultimately settled after a private mediation, and Monitor paid the \$150,000 settlement amount.

### **Breach of Contract**

The claimant said that he had been contracted by a medical imaging provider, a Monitor insured, to help salvage the company and restore it to competitiveness and profitability. He alleged that the insured and one of its partners intentionally breached their management contract with him and refused to pay him amounts due under the agreement. His complaint alleged breach of contract, attorney's fees, negligent misrepresentation, fraud and promissory estoppel. Monitor defended the matter through trial on behalf of the insured and its partner, which resulted in a verdict in favor of the insured and the partner, who had denied any wrongdoing from the outset. Even though the insured was vindicated, it still cost more than \$75,000 to defend this case.

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### **Peer Review**

A physician working with a Monitor-insured anesthesiology practice group alleged that false charges were made against him concerning his treatment of a patient at a hospital. He also claimed that the hospital summarily suspended his privileges "for investigatory purposes." When the hospital's executive peer review committee evaluated his treatment of the patient, two physicians in the insured's practice group recommended that the hospital summarily suspend the claimant's medical staff privileges because not doing so might result in imminent harm. The claimant also alleged that the insured refused to allow him to provide services at any of its locations. Monitor provided a defense on behalf of the insured and the matter ultimately was resolved. Monitor paid over \$100,000 in defense costs.

### **Gender Discrimination**

A former marketing director for a new product line being developed by a medical technology company insured by Monitor alleged in her claim of discrimination against the company that she was terminated, denied a promotion and denied equal pay. During clinical trials, the product she was working on was not successful. The insured terminated the claimant because of her lack of experience running clinical trials and for legitimate budgetary reasons. The claimant subsequently filed a complaint alleging discrimination based on gender, refusal to promote, a violation of the Equal Pay Act and discrimination in violation of public policy. Monitor defended the insured and after a two-week trial, the jury returned a verdict in favor of the insured. Total defense costs paid by Monitor were \$310,000.