

Management Liability Insurance for Medical Facilities



The Risk 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.

How Big is the Risk?

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.

Such lawsuits can come from almost any source:

- ▶ Patients
- ▶ Employees and staff
- ▶ Regulatory agencies
- ▶ Vendors
- ▶ Lenders
- ▶ Competitors

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

The Solution is Here

The risk for your medical facility is real and significant. So is the protection you can obtain through Monitor's Management Liability Insurance Program for medical groups, independent physicians associations and home health care organizations as well as many other health care related businesses.



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Program Eligibility

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 million per coverage section purchased.

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

Enhanced Coverage

Monitor offers coverage that health care organizations desperately need. This enhanced coverage — not often found in typical management liability policies — automatically includes the following:

- ▶ 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.

Learn More Today

For more information about Monitor's Management Liability coverage for medical facilities, contact **Angela Cox**, Regional Underwriting Manager, at **(800) 446-2100, ext. 572**, or **amcox@monitorliability.com**.

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

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.

Emotional Distress

A former employee of a Monitor-insured MRI services provider alleged that after one of the insured's partners learned that he was working for a competitor, the partner 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.

The Monitor Difference

Monitor Liability Managers, LLC is an underwriting management company specializing in professional liability insurance. We have the experience, proven track record, financial strength and products to provide our clients with first-rate protection.

All insurance products are not created equal. The true value of an insurance product comes from the people and the company backing it.

Strength and Stability

As a member company of the W. R. Berkley Corporation and with full underwriting and claims settlement authority for all of its insurance products, Monitor provides insureds with access to the resources of a large corporation combined with the outstanding customer service of a smaller company.

Monitor underwrites professional liability insurance on behalf of W. R. Berkley Corporation member companies. A Fortune 500 company, Berkley has annualized revenues of \$4.7 billion, total assets of \$16.1 billion and stockholders' equity of \$3 billion. Monitor issues policies through two of the industry's most respected and trusted insurers, Admiral Insurance Company, rated "A+" (Superior) by A.M. Best Company, and Carolina Casualty Insurance Company, rated "A" (Excellent) by A.M. Best Company.