



# BENEFIT PLAN PURCHASER ERRORS & OMISSIONS

As a way to control rising healthcare (and other benefit) costs, employers are increasingly offering alternative employee benefit programs. Some organizations now manage all or part of their own programs, which can expose them to many of the same liabilities typically faced by managed care organizations. Allied World recognizes the growing need to protect employers that take on additional responsibility with their benefit plan offerings.

As a leading insurer of traditional healthcare organizations, we created a Benefit Plan Purchaser policy that includes the same spectrum of protection we normally provide to our managed care insureds. Using our specialized experience and vast knowledge of the healthcare market, Allied World crafted a new type of coverage for organizations that are outside the healthcare spectrum but are now exposed to healthcare liability risks. We also provide these organizations the same complimentary risk management services that our healthcare policyholders receive.

## TARGETED INSUREDS

Benefit Plan Purchaser Errors and Omissions (E&O) coverage protects employers or organizations that purchase benefits on behalf of their employees or members. These are not traditional managed care entities, but rather companies (manufacturers, banks, airlines, etc.) or labor organizations (unions, associations, Taft Hartley Plans, etc.) that oversee all or part of their benefits program. Today, organizations generally fall into three categories:

- 1) Employers that are fully insured and contract the services of traditional healthcare and other benefit companies
- 2) Employers that are self-insured but use a Third Party Administrator (TPA) or Administrative Services Organization (ASO) for the administration of their benefits
- 3) Employers that are self-insured and self-administer their plan (organizations that act like an HMO)

## LIMITS

Our policy is available on either a duty to defend or indemnity basis with up to \$25 million in capacity on a Surplus Lines basis.

## ACTIVITIES/SERVICES COVERED

Our Benefit Plan Purchaser policy provides E&O coverage for any healthcare, vision, dental, disability, worker's compensation, prescription benefit management, healthcare reimbursement or flexible spending plan that is offered to participants (whether performed by or on behalf of an insured). Covered services include:

- Provider selection
- Utilization review
- Advertising, marketing or selling
- Claims services
- Establishing provider networks
- Reviewing the quality of medical services or providing quality assurance
- Design and/or implementation of financial incentive plans
- Wellness or health promotion education
- Arranging for the provision of medical services

### Activities/services Covered (cont.)

- Administration, selection, servicing or management of any benefit plan, including giving advice, counsel or notice to participants or prospective participants
- Handling records
- Effecting enrollment, termination or cancellation of coverage

### FEATURES & HIGHLIGHTS

- Broad definition of claim, including regulatory proceedings and investigations
- Vicarious bodily injury coverage
- Includes "By or on Behalf of" language
- Full coverage for punitive damages with most favorable venue, where insurable by law
- Includes coverage for HIPAA fines and penalties
- Coverage available for unions/collective bargaining units
- Personally identifiable information protection included
- Automatic 90 day ERP
- Worldwide coverage
- Coverage for medical tourism available

### SERVICE STANDARDS

At Allied World we are committed to providing the highest level of service. We:

- Acknowledge all submissions within 24 hours
- Acknowledge all claim notices with an immediate email response and assignment of claims representative within 24 hours
- Issue all policies within 7 business days from the date of receipt of the last subjectivity (if applicable)
- Issue excess policies prior to receipt of all underlying policies (primary underlying or followed policy required)

### FINANCIAL STRENGTH

We understand how important it is that a carrier has the financial strength to ensure that it will be there when your clients need us. Allied World Assurance Company has earned an A.M. Best "A (Excellent)" rating. We believe that our conservative balance sheet, expanding scope of operations and solid capital base put us in a superior position to withstand future economic upheavals and to provide our insureds the protection they need.

### ADDITIONAL PRODUCT OFFERINGS

Additional products available to healthcare organizations include D&O/EPL, Fiduciary, Managed Care E&O, Hospital Professional Liability, Miscellaneous Medical Professional Liability, Clinical Research Liability and Technology E&O.

### CONTACT US.

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*Approved producers may submit risks at:*

**E** submissions@awac.com or **F** 860 284 1302

*Non-approved producers, contact our Business Development team at:*

**E** usbd@awac.com

This information is provided as a general overview for agents and brokers. Coverage is underwritten by Darwin National Assurance Company (DNA) and Darwin Select Insurance Company (Darwin Select) which currently have an A.M. Best rating of "A (Excellent)." DNA and Darwin Select are subsidiaries of Allied World Assurance Company Holdings, Ltd. Coverage is offered only through licensed surplus lines agents and brokers. Actual coverage may vary and is subject to policy language as issued.

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