

# BENEFIT PLAN PURCHASER ERRORS & OMISSIONS



As a way to control rising healthcare (and other benefit) costs, more and more employers are offering alternative employee benefit programs. Some have taken on the role of managing all or part of their own programs, which can expose them to many of the same exposures and liabilities typically faced by managed care organizations.

Darwin recognizes the growing need to protect employers that are taking on additional responsibility for their benefit plan offerings. There are many associated exposures that are just not covered by other existing insurance policies. For example, employers typically buy a Fiduciary policy believing that it will protect them as a purchaser of employee benefits. However, critical coverage components, like vicarious bodily injury coverage, are often missing from this type of policy.

As a leading insurer of traditional healthcare organizations, we've created a Benefit Plan Purchaser policy that includes the same spectrum of protection we normally provide for our managed care organizations (such as vicarious bodily injury and HIPAA regulatory coverage). Using our specialized experience and vast knowledge of the healthcare market, Darwin crafted a new type of coverage for organizations which are outside the healthcare spectrum but are now exposed to health care benefit risks. We can provide these organizations with the same superior coverage protection and complimentary risk management services that our healthcare policyholders receive.

## TARGETED INSUREDS

Benefit Plan Purchaser Errors and Omissions (E&O) coverage protects employers or organizations who 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.) who oversee all or part of their benefits program. These 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).

## 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

**ACTIVITIES/  
SERVICES  
COVERED**  
continued

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

**FEATURES &  
HIGHLIGHTS**

Our policy is available on either a duty to defend or indemnity basis:

- Broad definition of claim, including regulatory proceedings and investigations
- 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
- Vicarious bodily injury coverage

**LIMITS** | \$25 million

**JURISDICTIONS** | Available on Surplus Lines paper

**SUBMISSION REQUIREMENTS**

Please direct all submissions to:

**E** [submissions@darwinpro.com](mailto:submissions@darwinpro.com) **F** 860 284 1302

Please tag your submission as a "BPP" entry.



This information is provided as a general overview for agents and brokers. Coverage is underwritten by Darwin-member companies, which include Darwin National Assurance Company (DNA) and Darwin Select Insurance Company (Darwin Select). DNA and Darwin Select are subsidiaries of Allied World Assurance Company Holdings, Ltd, and have an A.M. Best rating of "A (Excellent)." Actual coverage may vary and is subject to policy language as issued. Consult your insurance advisors or legal counsel for guidance on issues specific to your organization.