



Wrap+® for Health Care Organizations Directors, Officers and Trustees Liability

COVERAGE CHECKLIST

Why your clients need our protection

Every day, newspapers are filled with articles about companies being sued over mergers and acquisitions, signs of financial weakness and conflicts of interest. Courts are overflowing with shareholders, competitors, customers and government entities making damaging claims against directors, officers and trustees — many times resulting in seven-figure verdicts against businesses, as well as directors, officers and trustees who thought they were in the right.

Health care organizations aren't immune to such lawsuits, so it's important to protect the organization's assets and the best interests of your management team. To do this, it's essential to establish an effective insurance plan, which may also help your organization attract and retain qualified board members. With management liability insurance through Travelers Wrap+ for Health Care Organizations, you can gain confidence and peace of mind that you have the support you need if a potentially damaging suit threatens to put your organization in a tailspin.

Not all health care directors, officers and trustees liability or employment practices liability policies are the same, and policy comparisons can be misleading. Do your own analysis. **Check and see how their policy stacks up ... there is a difference!**

Coverage	Wrap+ policy	Their policy
Coverage for: <ul style="list-style-type: none"> Peer review and credentialing (including certain personal injury offenses) Antitrust claims (lower limits may apply) 	✓ ✓	
Optional coverage available (at reduced limits) for: <ul style="list-style-type: none"> Health Insurance Portability and Accountability Act (HIPAA) Emergency Medical Treatment and Active Labor Act (EMTALA) Excess benefit transaction tax Internal Revenue Code violation coverage 	✓ ✓ ✓ ✓	
Broad definition of insured person includes: <ul style="list-style-type: none"> Past, present or future directors, officers, LLC managers, members of the board of trustees, regents or governors (or a functional equivalent), executive officers, employees or duly constituted committees of the insured organization Any employee of an independent management organization acting as an officer or as the administrator of the insured organization pursuant to a written contract Independent contractors only if the insured organization provides indemnification 	✓ ✓ ✓	
Broad definition of claim includes: <ul style="list-style-type: none"> Written demand for monetary or non-monetary relief Civil proceeding Criminal proceeding Formal administrative or regulatory proceeding Arbitration, mediation or similar alternative dispute resolution proceeding Written request to toll or waive statute of limitations relating to a potential civil or administrative proceeding 	✓ ✓ ✓ ✓ ✓ ✓	
Definition of loss includes punitive, exemplary or multiplied damages where insurable (most favorable venue)	✓	
Broad organizational coverage – insured organizations include the named insured organization and its subsidiaries	✓	

Coverage	Wrap+ policy	Their policy
Broad definition of subsidiary includes: <ul style="list-style-type: none"> Majority-owned or controlled nonprofit and for-profit corporations, partnerships, limited liability companies 50 percent-owned joint ventures under management control (subject to scheduling by endorsement) 	<p>✓ ✓</p>	
Outside Directorship Liability Coverage (ODL): <ul style="list-style-type: none"> Automatic coverage for Insured Persons who serve as a director, officer, trustee, etc. or functional equivalent for an organization that falls under Section 501 (c) (3) of the Internal Revenue Code Ability to schedule service on boards of for-profit organizations 	<p>✓ ✓</p>	
Exclusions include coverage exceptions for: <ul style="list-style-type: none"> Tax-exempt debt offering transactions under the securities exclusion Bankruptcy trustees under the insured vs. insured exclusion Claims brought by directors or officers who have not served in the past four years under the insured vs. insured exclusion Claims brought by health care staff with respect to peer review or credentialing activities under the insured vs. insured exclusion Non-indemnifiable claims under the pollution exclusion 	<p>✓ ✓ ✓ ✓ ✓</p>	
Known wrongful acts exclusion – only applies to knowledge of executive officers prior to applicable continuity date		
Defense expenses covered: <ul style="list-style-type: none"> For allegations of intentionally dishonest or fraudulent acts or omissions, until proven by final adjudication For allegations of committing any willful violation of any statute, rule or law, until proven by judgment or other final adjudication 	<p>✓ ✓</p>	
Severability of exclusions: <ul style="list-style-type: none"> All exclusions are severable with respect to insured persons Only imputation of conduct or knowledge possessed by an executive officer to the insured organization in the event of dishonest, fraudulent, willful violations of law exclusion and the personal profit exclusion 	<p>✓ ✓</p>	
Amend settlement provision – provides named insured with coverage for 70 percent of loss in excess of a settlement offer rejected by named insured	<p>✓</p>	
Order of payments – for loss exceeding the limit of liability, the policy will pay the non-indemnifiable portion of the loss first	<p>✓</p>	



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