

BENEFIT PLAN PURCHASER E&O

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 has crafted coverage for organizations that are outside the healthcare spectrum but are now exposed to healthcare liability risks.

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
- 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

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.

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)

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