DIRECTORS AND OFFICERS/ MANAGEMENT LIABILITY.

PROTECT YOUR DIRECTORS AND OFFICERS FROM LIABILITIES RELATED TO THE OPERATION AND MANAGEMENT OF A BUSINESS

Directors and officers (D&O) coverage protects directors and officers of a corporation (or managing partners in a partnership) from liabilities related to the operation and management of a business. It provides assurance in the event they are sued in conjunction with the performance of their duties as they relate to the healthcare organization—allowing them to make important business decisions without fear of personal financial loss.

TYPES OF COVERAGE

- Side A for individual directors and officers.
- Side B for the corporation if it is required to indemnify.
- Side C for the entity.

TYPES OF HEALTHCARE ORGANIZATIONS ELIGIBLE FOR COVERAGE

- Hospitals and health systems.
- Clinics and physician groups.
- Laboratory facilities.
- Blood or organ collection centers.
- Ambulatory surgery centers.
- Rehabilitation and dependency facilities.
- Behavioral and mental health centers.
- Assisted living facilities.
- Continuing care retirement communities.
- Retirement homes.
- Skilled nursing facilities.
- Hospice and home healthcare centers.

This coverage also applies to a variety of other organizations that include doctors on their boards and management teams.

thedoctors.com/coverages/medicalpracticecoverages

Products offered through our wholly owned subsidiary, The Doctors Company Insurance Services (CA License #0677182). All policy provisions are subject to regulatory and underwriting approval and vary by state. You should consult your representative regarding specific policy provisions. This product is designed for doctors in solo and small group practices. For our largest groups and institutional customers, custom directors and officers/management liability coverage is available.
**INACTIVE PARTNER RISK: CASE EXAMPLE**

Inactive partner sues the partnership, costs reach $150,000.

A doctor contributed 5 percent ($5,000) of the start-up costs for a surgery center, but before the center opened he moved out of state and became an inactive partner. The center became very successful and several years later the doctor sued. When the current principals of the center contested the case, he filed a complaint against the partnership and principals, alleging breach of fiduciary duty, breach of contract, and conversion. The case settled before trial for $125,000 and defense expenses totaled $25,000.

**CREDITORS RISK: CASE EXAMPLE**

Creditors sue bankrupt IPA’s board members, expenses total $550,000.

An independent practice association filed for bankruptcy, and a group of creditors sued each member of the board of directors. The plaintiffs alleged breaches of fiduciary duties of loyalty and care violations of state nonprofit laws. They also sought to have the court certify them as representatives of a class of unsecured creditors. The case settled for $250,000, and defense fees and forensic accounting costs totaled more than $300,000.

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30,000

D&O liability claims filed on average each year.

31%

of companies reported claims against their D&O liability policies in the last 5 years.

$700,000

average cost of a D&O lawsuit.

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WE’re TAKING THE MAL OUT OF MALpractice INSURANCE

As the nation’s largest physician-owned medical malpractice insurer, we know what keeps you up at night—from the complexities of a changing healthcare environment to the ever-present threat of litigation. We are devoted to supporting the medical profession and partnering with those who provide care. That’s malpractice insurance without the mal.

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3Source: Chubb, “Chubb 2013 private company risk survey.”

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