

*As we get back
to work in the
COVID Era*



BUSINESS, PROFESSIONAL & WORKERS COMPENSATION INSURANCE

LINES OF
COVERAGE TO
DISCUSS WITHIN
YOUR PRACTICE
AND HOW WE
MOVE FORWARD



Business Insurance

-Property
-General Liability



Professional Liability



Workers Compensation



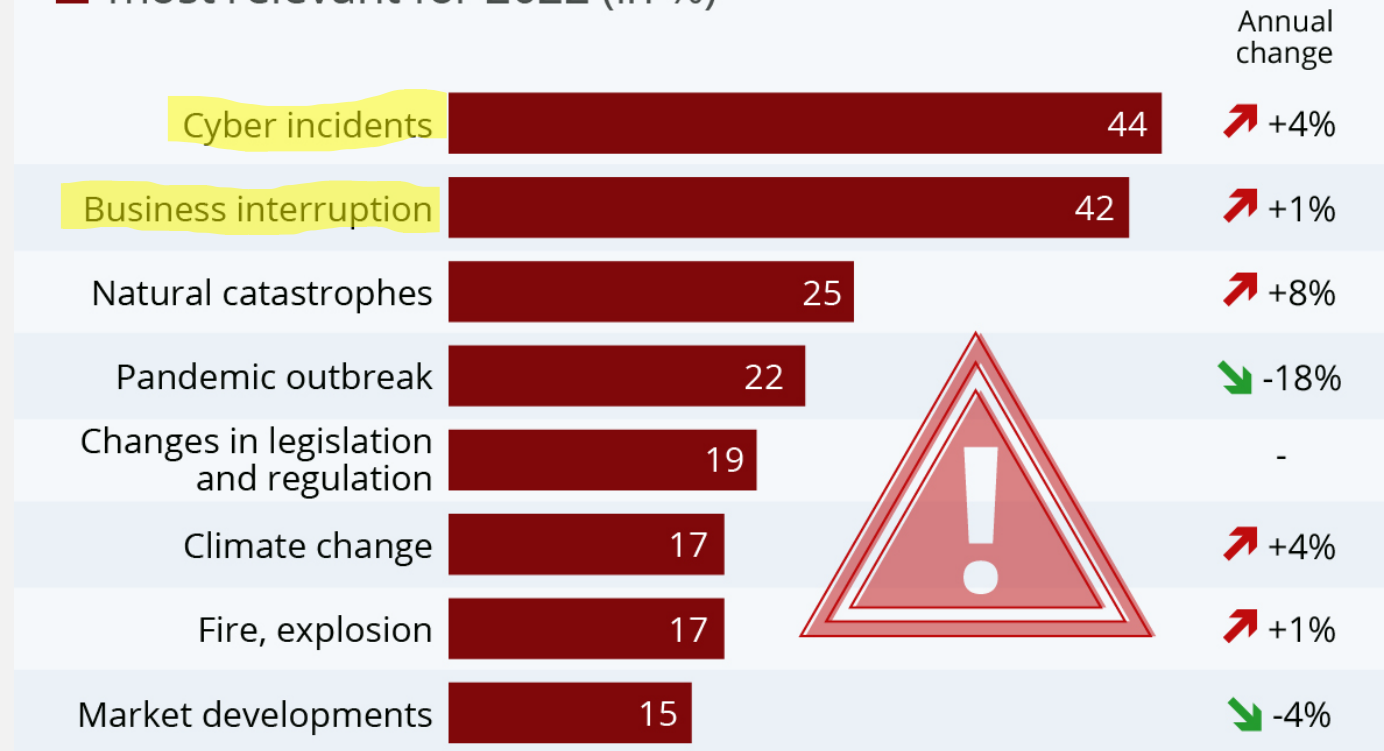
Employment Practices Liability (EPL)



Cyber

The Biggest Business Risks in 2022

Share of respondents deeming the following risks most relevant for 2022 (in %)



Based on a survey of 2,650 risk management experts in 89 countries; Oct-Nov 2021
Source: Allianz Global Corporate & Specialty

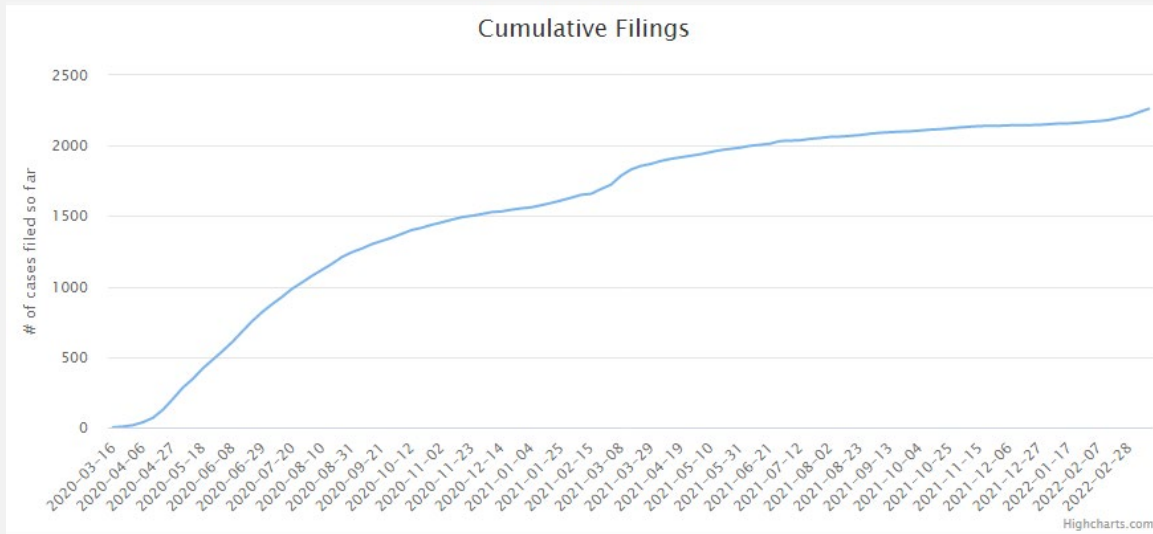


BUSINESS INSURANCE - PROPERTY

- Property Insurance – **STAY INFORMED** with you current Policy and limits
 - Changes to your Business Property Limit
 - Adding additional & *REMOVING* fixtures (Doors / Plexiglass)
 - Build outs
 - Expansion of IT / hardware software – This will also increase due to cyber. *Will address in more depth later in cyber section*
 - Increased stock due to supply chain disruption
 - *medicine /disposables / cleaning
 - General Liability - *Protecting your patients and families as they re-enter your practice.*
 - Planning with patient before on visit – THROUGH EMAIL ,TEXT ETC.
 - Any new entrance & exit procedures. Inform of any new traffic patterns / partitions.
 - Cleaning & disinfecting the office and/or ASC – *Third party liability claims - bodily injury for contamination negligence. **Some GL policies have exclusion bacteria / virus***

BUSINESS INTERRUPTION

- Will I ever be reimbursed from shutdown?
 - Business Interruption policies were made to provide from loss from Direct Physical Loss i.e. Fire, wind Lightning, Theft, etc. .
 - Still up to individual state ruling. As of late, most in favor of the insurance carrier – Iowa / Massachusetts the latest 4/25/22
 - [Restaurants can't recover COVID-19 losses through 'business interruption' insurance, 2 top state courts rule \(abajournal.com\)](#)
- What the States are doing
 - [Business Interruption Insurance 2021 Legislation \(ncsl.org\)](#)



Most Frequent Industries	
Industry	# of Cases
722 - Food Services and Drinking Places	740
621 - Ambulatory Health Care Services	260
721 - Accommodation	147
812 - Personal and Laundry Services	122
713 - Amusement, Gambling, and Recreation Industries	113
531 - Real Estate	103
541 - Professional, Scientific, and Technical Services	83
448 - Clothing and Clothing Accessories Stores	77
711 - Performing Arts, Spectator Sports, and Related Industries	71
622 - Hospitals	41
611 - Educational Services	40
561 - Administrative and Support Services	37
424 - Merchant Wholesalers, Nondurable Goods	29
453 - Miscellaneous Store Retailers	25
624 - Social Assistance	25
512 - Motion Picture and Sound Recording Industries	20
441 - Motor Vehicle and Parts Dealers	19
551 - Management of Companies and Enterprises	18
813 - Religious, Grantmaking, Civic, Professional, and Similar Organizations	18
423 - Merchant Wholesalers, Durable Goods	16
921 - Executive, Legislative, and Other General Government Support	16
523 - Securities, Commodity Contracts, and Other Financial Investments and Related Activities	15
641 - Health Care Equipment and Supplies	15

Surgery Center Litigation #2

BUSINESS INTERRUPTION CONTINUED

- The following charts - COVID Litigation Tracker by UPENN
- [Covid Coverage Litigation Tracker – An insurance law analytics tool \(upenn.edu\)](https://www.upenn.edu/law/insurance/covid-coverage-litigation-tracker)



WORKERS
COMPENSATION
INSURANCE

Physician Practice Workers Compensation historically is one of the better performing exposures for insurance carriers

National average of cost .40 – .60 per \$100 of payroll

Insurance carriers speculating increased claims in healthcare market sector due to increased possible exposure to COVID -19

<http://news.ambest.com/newscontent.aspx?altsrc=108&refnum=225170>

Current market for physician clerical class code – 8832 – (class code will vary in select states)

Over the last 12 months the market saw an increase in carrier appetite and is competitive.

* FYI - In the specialty pay attention added benefits that some carriers may offer- Needle stick coverage, & physician panel discretion

PROFESSIONAL LIABILITY – MALPRACTICE INSURANCE

- Post COVID 19 Operations
 - Notify your malpractice carrier of any changes to practice
 - Resuming full time service or still part time?
 - Returning to original scope of practice
 - Permanently adding telehealth *
 - Educate & Advise Staff
 - Telephone Triage
 - Protocols
 - New Documentation
 - Intake and exiting patients
 - Glove / gown / mask – Using Best Practices for your staff to ensure patient safety
 - New consent forms? – If adding or adapting to COVID -19 exposure



PROFESSIONAL LIABILITY – MALPRACTICE INSURANCE

 Will telemedicine become a bigger part of your practice?

Things to Consider...

Document , Document, Document

Add a written policy and protocol

Notify malpractice carrier

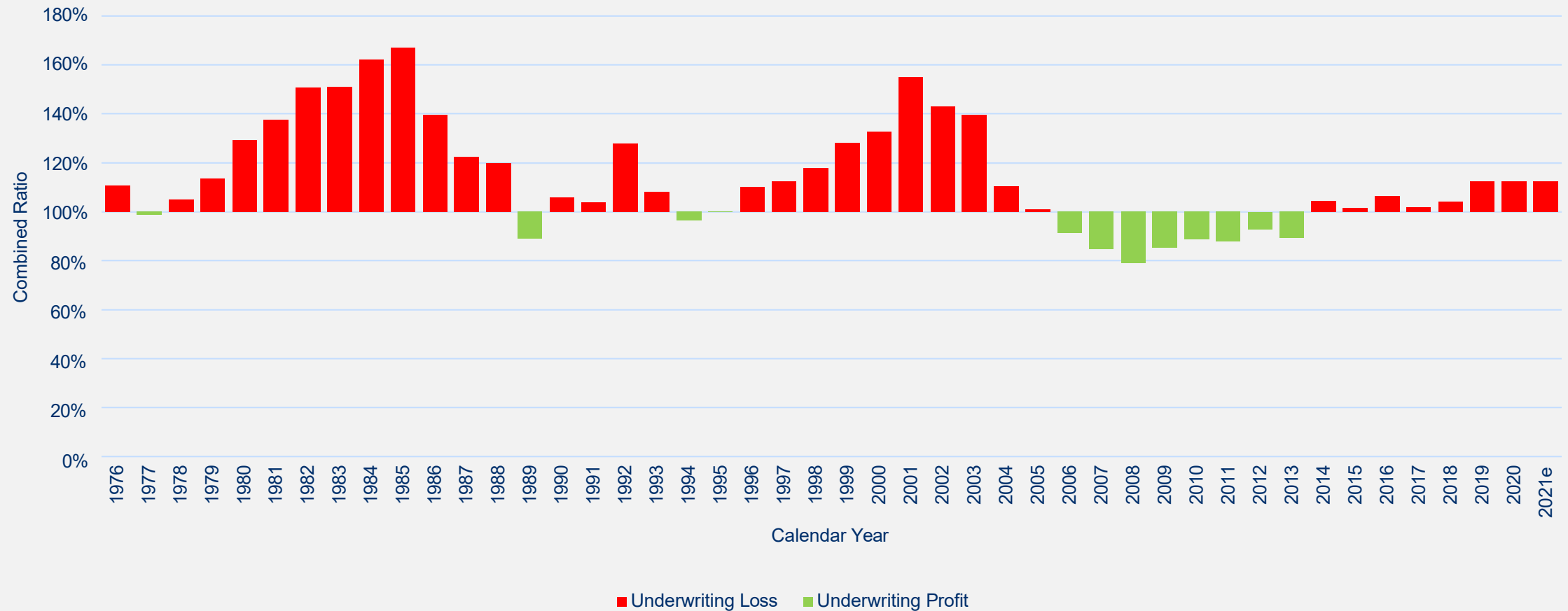
State & Federal licensing guidelines – These are “relaxed” currently. Please keep up to date (Federation of State Medical Boards).
<https://www.fsmb.org/siteassets/advocacy/pdf/states-waiving-licensure-requirements-for-telehealth-in-response-to-covid-19.pdf>

PROFESSIONAL
LIABILITY
MALPRACTICE
INSURANCE

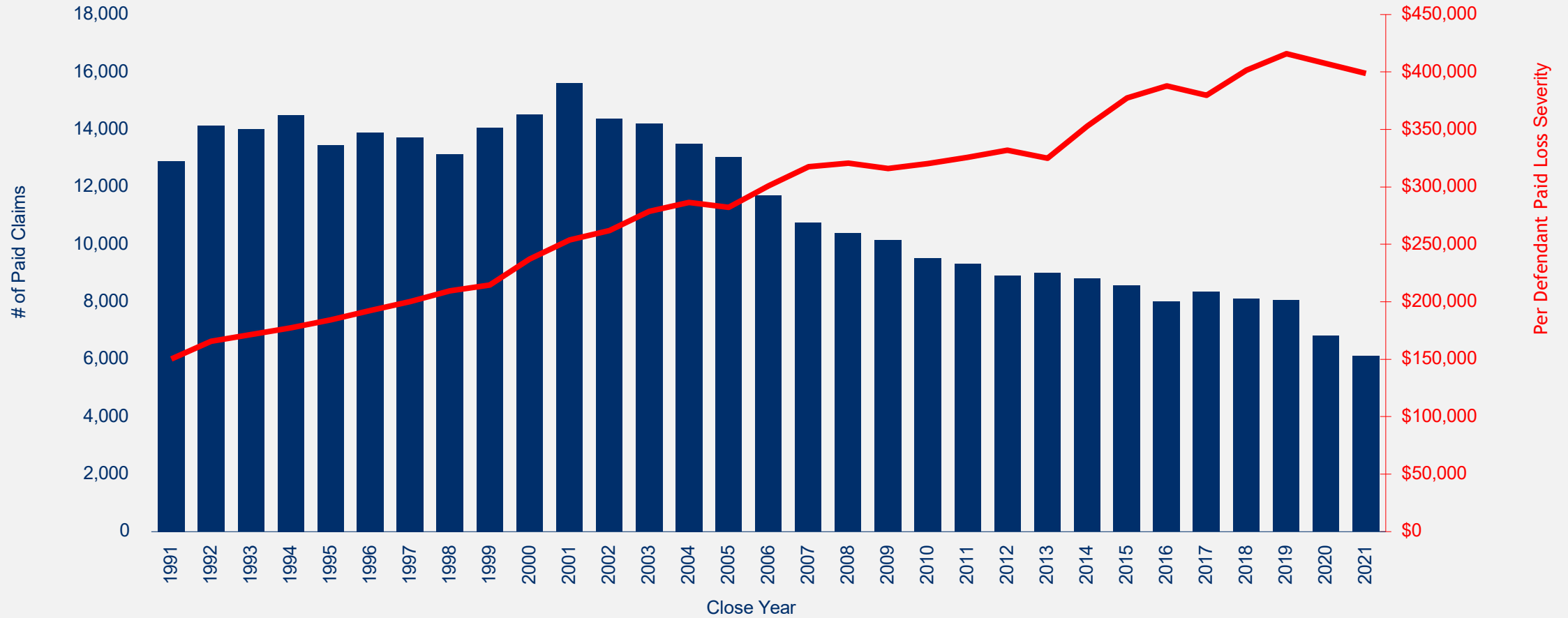
- ***A harder professional liability market and what that means...***

AFTER DECADE OF UW PROFITS, US HCL INDUSTRY WRITING >100% CR

Driven by a mixed loss environment (and other macro factors), we're now in a more challenging market



“DETERIORATING LOSS ENVIRONMENT”: INDUSTRY SEVERITY UP



State
countrywide

Years
All

Allegation Group
Multiple values

Outcome
All

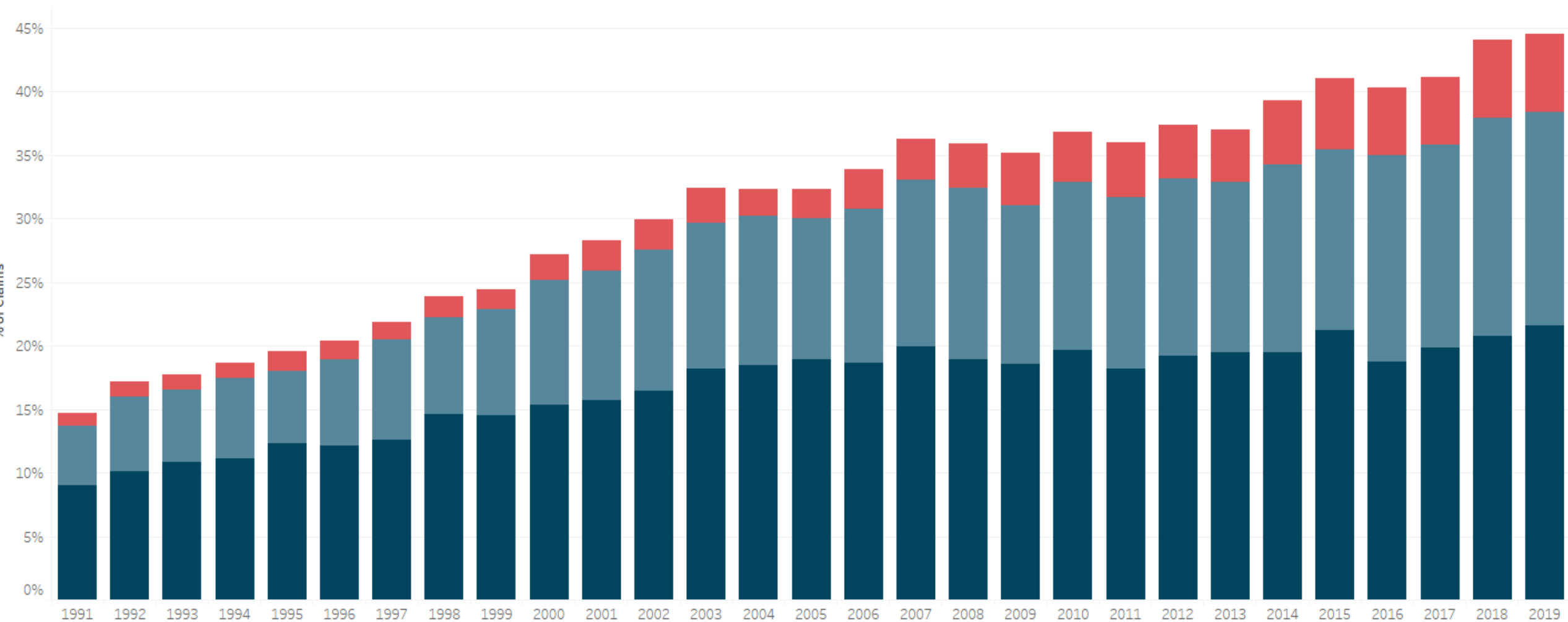
Indemnity Payment Ranges

countrywide

This chart illustrates the percentage of payments above \$250K

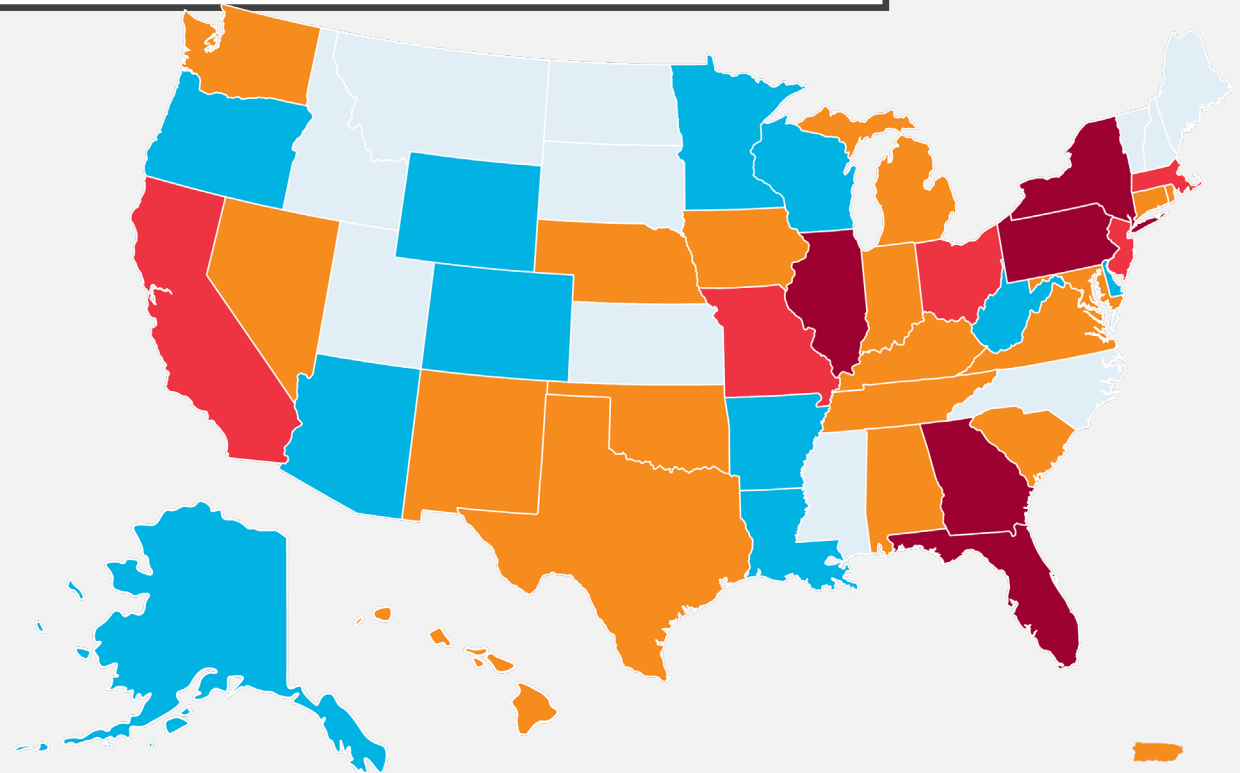
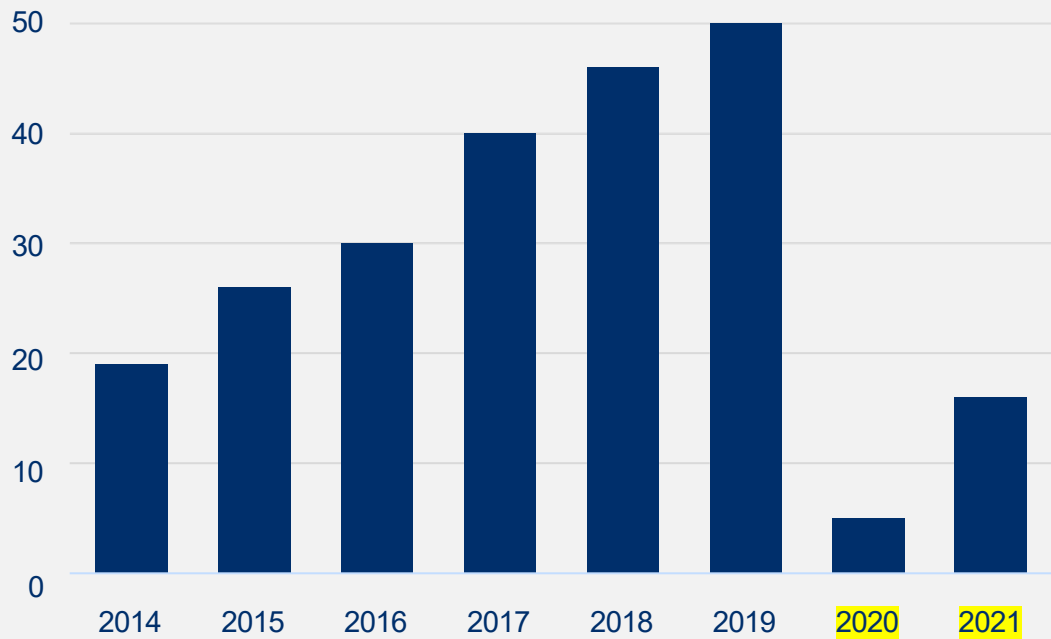
Measure Names

- % >\$1m
- % \$500k-\$1m
- % \$250k-\$500k



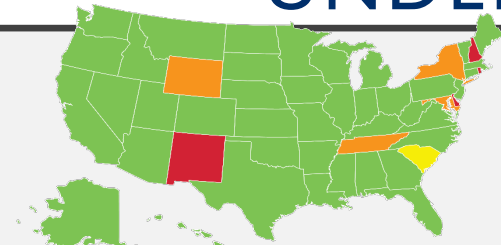
Source: National Practitioner Data Bank Public Use Data File, December 31, 2019, U.S. Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Workforce, Division of Practitioner Data Bank. Physicians and Surgeon reported claims Only. Chart excluded any claims reported by State Patient Compensation Funds. We value data integrity; if you believe that any information is incorrect, please contact us.

HCL SHOCK VERDICTS RETURNING / SHOCK VERDICTS NATIONWIDE

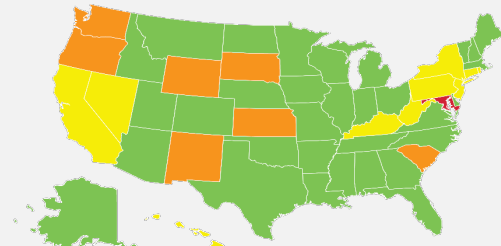


THE RESULT: INCREASING HCL INDUSTRY UNDERWRITING LOSSES...

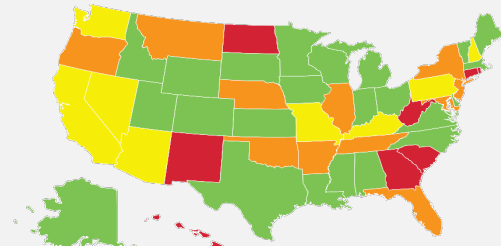
2011-12



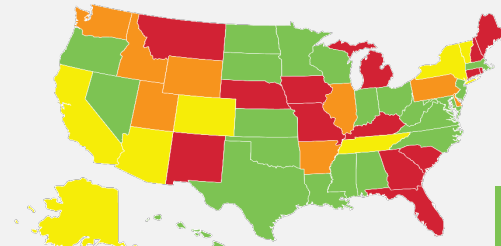
2013-14



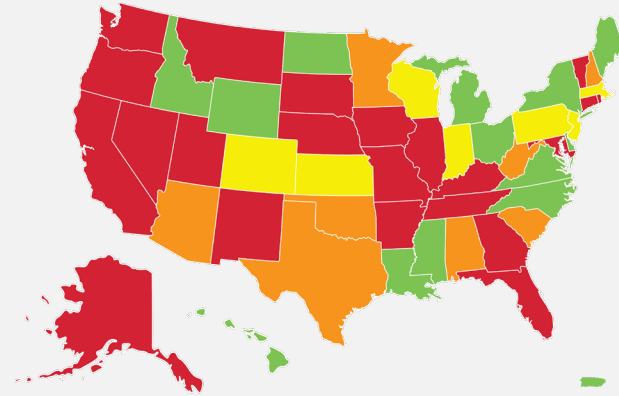
2015-16



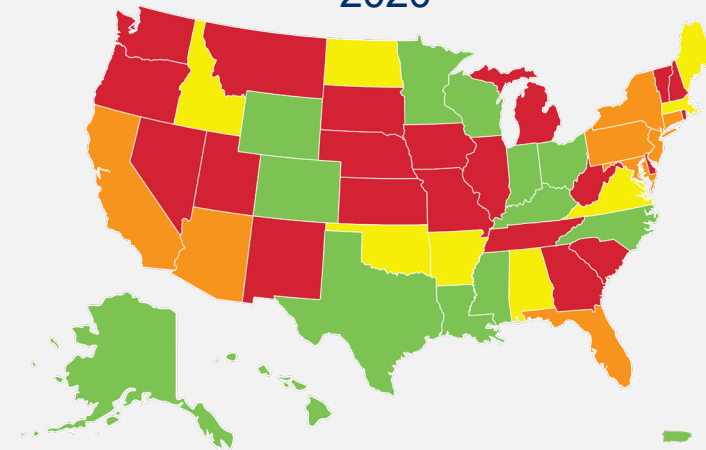
2017-18



2019



2020



temporarily mitigated by CV19 – that likely helped in 2020 ... but will likely reverse in 2021 & beyond

EMPLOYMENT PRACTICES LIABILITY INSURANCE (EPLI)

- What is employment Practices Liability Insurance and why it is more important then ever.
 - a type of liability insurance covering wrongful acts arising from the employment process. The most frequent types of claims covered under such policies include: **wrongful termination, discrimination, sexual harassment, breach of contract (job description /classification), emotional distress and retaliation.**
 - The above items are normally excluded under a standard business insurance policy

EMPLOYMENT PRACTICES LIABILITY INSURANCE (EPLI)

- Why you need Employment Practices Liability Insurance
 - A private company is more likely to have an employment practices claim than a general liability or property claim
 - Three out of every five employers are sued by former employees
 - Sixty-five percent of all companies that have ever fired an employee have been hit with an employment-related lawsuit
 - In 2019, the median award for all plaintiff verdicts was over \$300,000
 - Over 40 percent of all employment practices claims are brought against firms with fewer than 100 employees



EMPLOYMENT PRACTICES LIABILITY INSURANCE (EPLI)






An example of COVID – 19 related claim where defense coverage may apply.

- Employee upset about getting temperature taken to enter workplace.
- Employee upset about change in job description post COVID-19
- Emotional distress at workplace post COVID -19
- ***Can I make it mandatory to get a COVID-19 vaccination**
 - [The EEOC Confirms Employers Can Mandate A Vaccine, But Should They? - Employment and HR - United States \(mondaq.com\)](#)
- Discussion Points
 - Read your current EPL policy
 - Pay attention to the “Allocation” clause
 - The allocation clause: An allocation clause will typically say that when an underlying claim includes both covered and uncovered matters, or includes both covered and uncovered parties, the insurer and the policyholder will use their best endeavors to agree on an allocation between loss covered under the policy and loss which is not covered.

New EEOC Guidance during COVID -19

- EEOC Guidance for Employers COVID-19
 - [What You Should Know About COVID-19 and the ADA, the Rehabilitation Act, and Other EEO Laws | U.S. Equal Employment Opportunity Commission \(eoc.gov\)](#)

CYBER INSURANCE
NOT IF... **BUT**
WHEN YOUR
PRACTICE WILL
EXPERIENCE A
CYBER BREACH /
CLAIM

-  8 Months – The average amount of time it takes healthcare organizations to identify a breach
-  > 50% of breaches of healthcare companies that begin internally
-  \$1,500,000 – Average HIPAA fine for healthcare companies in 2020



90% OF ALL CYBER
CLAIMS ARE
RANSOMWARE & SOCIAL
ENGINEERING

On average, businesses experience 21 days of downtime following a ransomware and the cost of recovery has more than doubled since last year.

Ransomware – type of a malware that infiltrates your network and encrypts your systems and files. A hacker will then contact you to pay a ransom to have your data unencrypted. Cyber criminals will not return what has been taken unless demands are met



Cyber Extortion – online crime where hackers hold your data, website, computer systems or other sensitive information hostage until you meet their demand for payment. Cyber criminals will threaten to harm the company by exposing personal or sensitive information

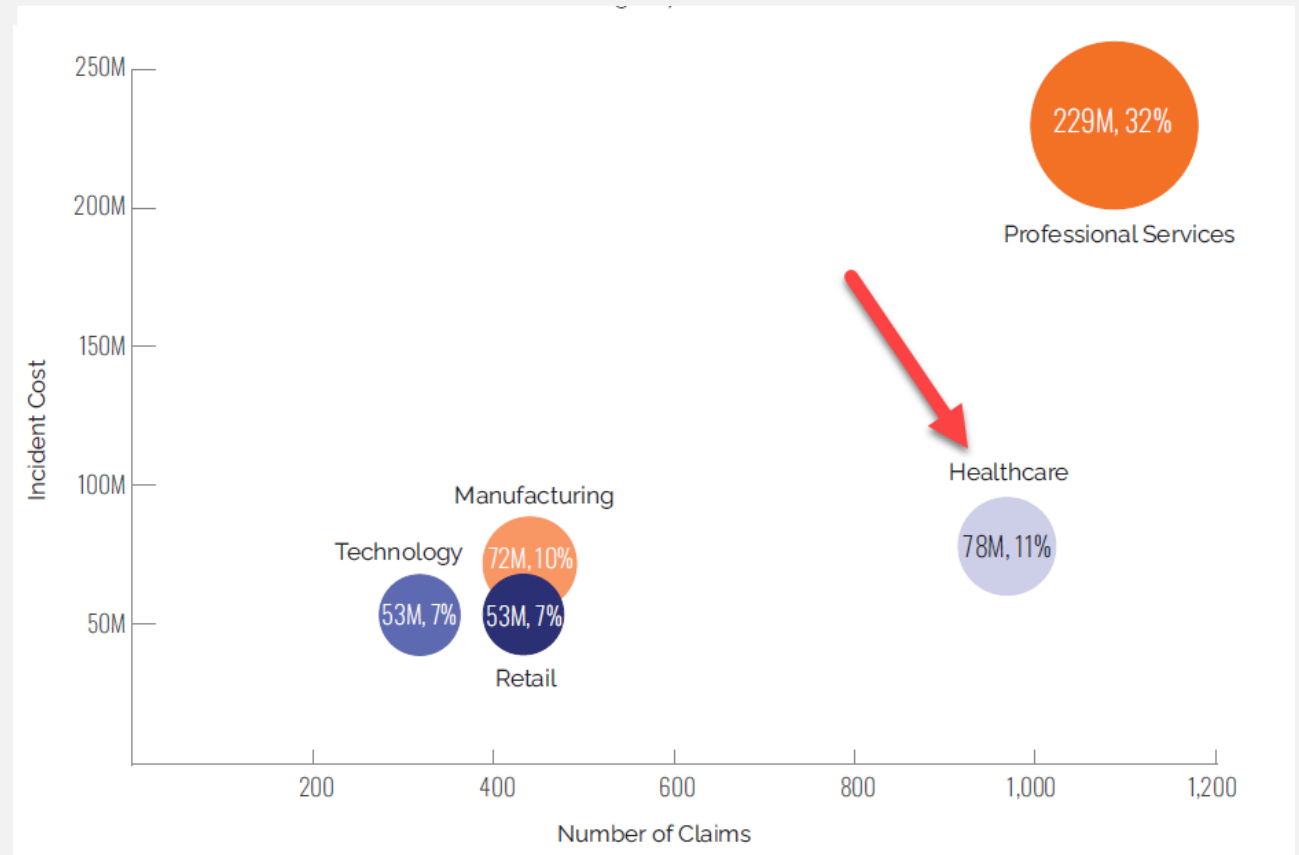
Social Engineering – a manipulate tool to trick or fool a user or employee into performing a cyber crime such as fund transfer fraud, give away security information or gain security access



Invoice Manipulation – fraudulent transfer of funds or money lost if you provide goods or services and before payment is rec'd the invoice is manipulated or intercepted to cause your client to be tricked into paying someone else instead of your company.

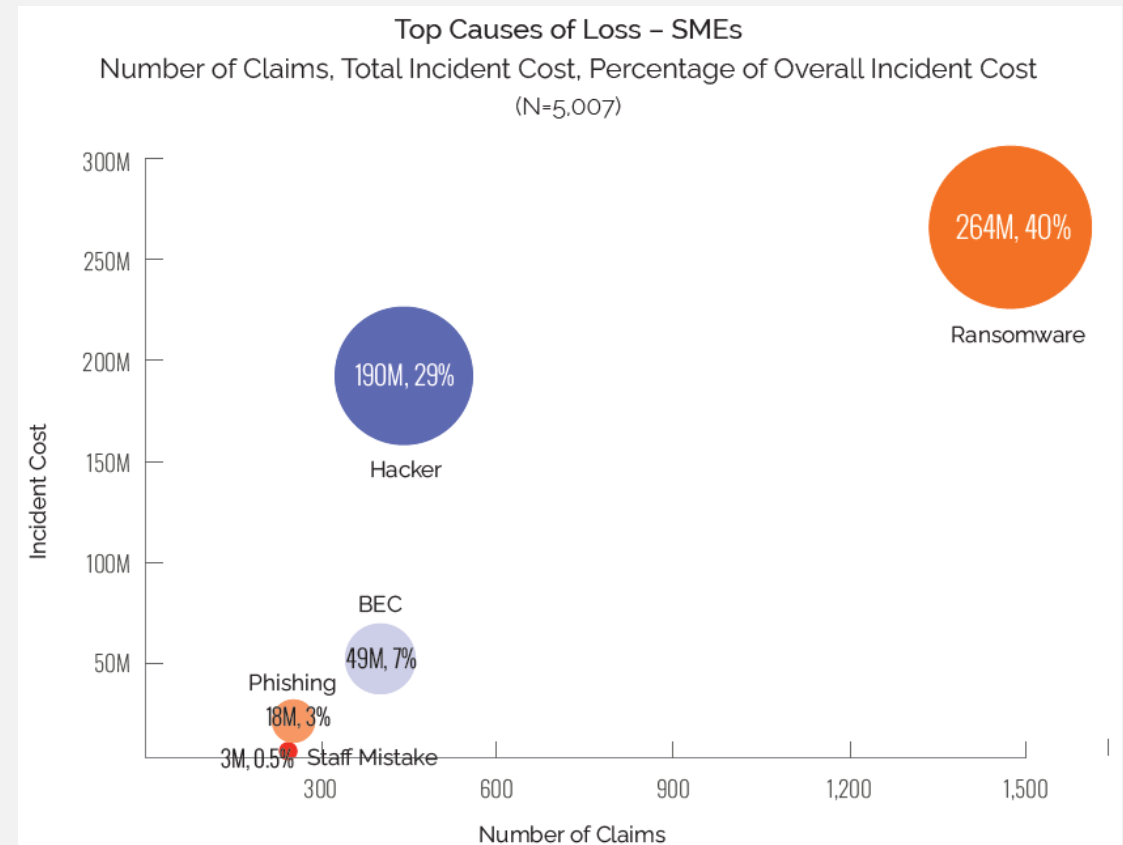
MOST AFFECTED BUSINESS SECTORS IN CYBER CLAIMS 2016 – 2020

- #1 Professional Services
- #2 Healthcare
- #3 Manufacturing
- #4 Technology
- #5 Retail
- These 5 sectors continue to be at the top of the list for many years as they represent valuable and easy targets

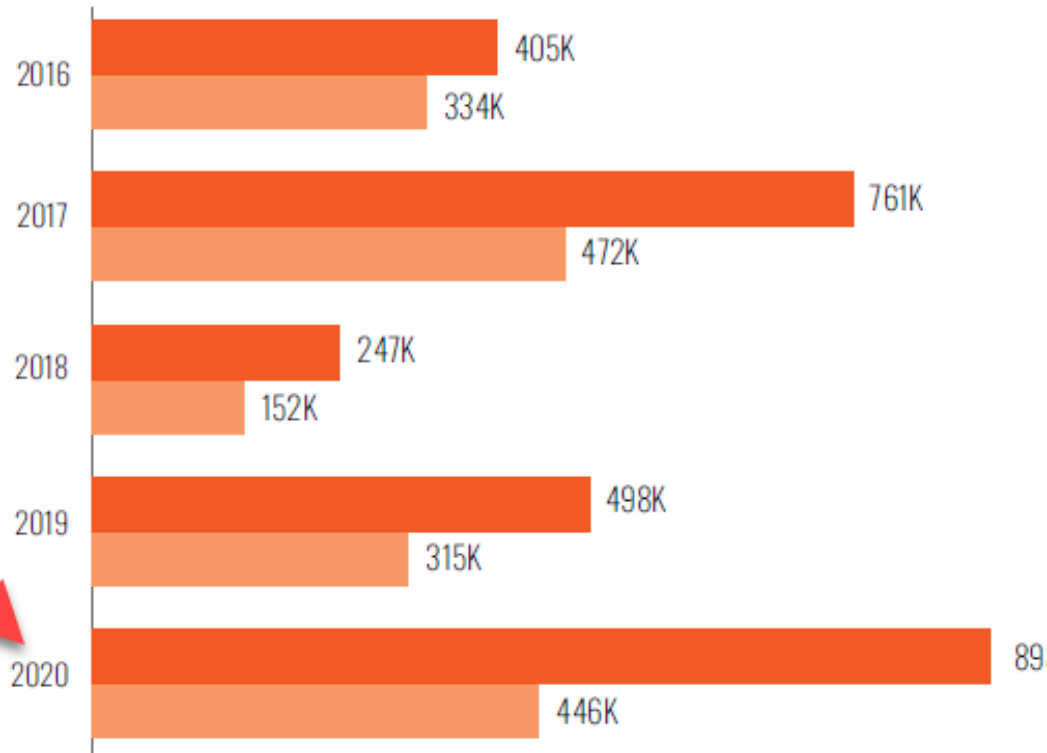


TOP CAUSES OF LOSS SME IN CYBER CLAIMS 2016 – 2020

- #1 Ransomware
- #2 Hackers
- #3 Business Email Compromise (BEC)
- #4 Staff Mistakes
- #5 Phishing
- Losses in these 5 categories accounted for 70% of the claims & 80% of the incident cost
- ***As of 2021 Social Engineering in top 3**



Average Business Interruption Costs – SMEs (N=170)



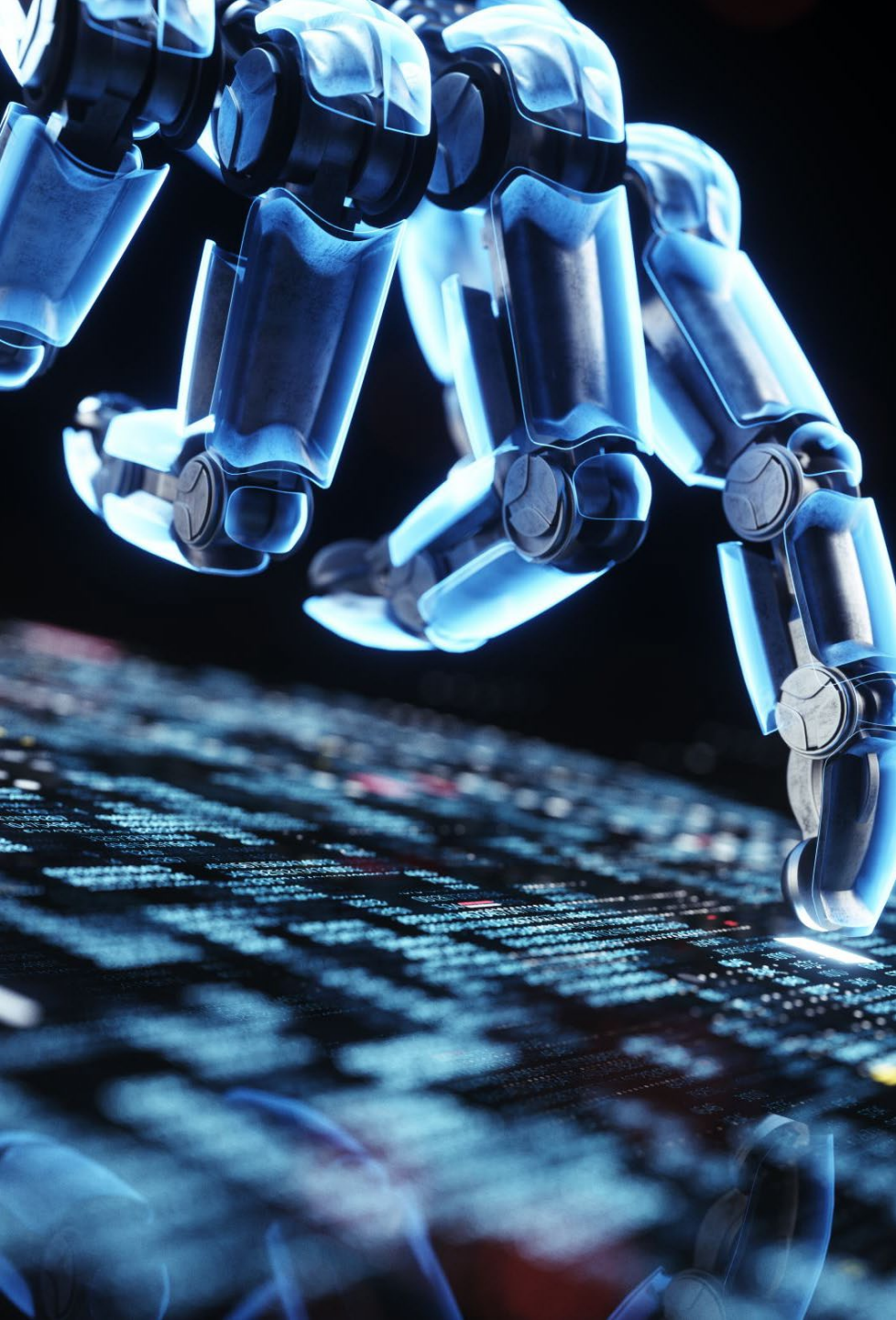
BUSINESS INTERRUPTION AND RECOVERY EXPENSES

Comparing the costs
through the years



UNDERSTANDING YOUR CYBER LIABILITY INSURANCE

- How much cyber liability insurance should my practice carry?
 - \$500,000 , 1,000,000 , 5,000,000?
- 1,000,000 limit isn't necessary a 1,000,000 limit anymore
- **Sublimits**
 - Social engineering, ransomware, extortions, etc.
 - Breach / Defense Costs - Inside or outside the limit
 - Business Interruption –How does it apply to cyber
 - Waiting Period



WHAT CAN WE DO AS A PRACTICE
TO HELP DETER A CYBER ATTACK?

- Cyber Awareness Culture
 - “Ongoing” training for your employees
 - [PhishMe - HIPAA Secure Now!](#)

PHISH MD / BSN EXAMPLE

Willow Risk Advisers | PII Protect

Dashboard | Employees | Training Reports | Directory Sync | Policies | Documents | SRA | SRA Report | Dark Web | Phishing | Track

Tom Wierzbowski
Edit profile

- My Dashboard
- Newsfeed
- My Company
- Manage Clients
- Partner Profile

Reports | Download Overall ESS Report

Company Average Employee Secure Score (ESS)

651 of 800

0/499 Poor | 500/629 Fair | 630/800 Good

Company Average ESS Trend

Date	Score
03/21	~500
03/28	~500
04/04	~650
04/11	~650
04/18	~650
04/25	~650

Individual ESS Ranking

Rank	Name	Score
1	Ryan McKinnon	726
2	Tom Wierzbowski	722
3	Neal Pollack	720
4	Tina Wierzbowski	686
5	Bridget Oltman	684
6	Emily Moroz	674
7	Mike Houser	651
8	Amy Wetzel	500
8	Lauren Rainsford	500

External Data Breaches

1 of 9

Phishing Attack Fail Rate

0%

Security Training

93%


Average Micro Quiz Score

73%

Average Micro Quiz Taken

28%

PII Protect Copyright © 2022 | How can we help?



WHAT CAN
WE DO AS A
PRACTICE TO
HELP DETER A
CYBER
ATTACK?

- Cybersecurity of our company – Engage your IT Company
- Data Backup & Incident Response Plan
- Comprehensive Cyber Insurance for financial protection
 - ***As we move forward to obtain a quote it will be about the controls that your practice has put in place to protect itself from breaches / attacks etc.***

BREAKING
NEWS IN
ASIPP
MALPRACTICE
PROGRAM





CURI BECOMES
PRIMARY CARRIER
OF ASIPP PROGRAM

- Continues the tradition of Malpractice Program built around Interventional Pain Management and utilizing ASIPP's economies of scale
 - Understanding the emerging exposure of new procedures
 - Customized Risk Management Modules
 - Rate stabilization
- Some additional program benefits
 - Dividends – 1st year eligible tracking 5%-8%
 - Legacy Fund – Financial benefit at retirement
 - Arrowlytics Platform
 - Online reputation management
 - Increase patient volumes
- * *More details to follow*

THANK YOU!

Any Questions?

