ProSecure®

FOR PHYSICIAN PRACTICES, HOSPITALS & HEALTHCARE FACILITIES

Coverage Scenarios

ProAssurance has collaborated with Tokio Marine HCC – Cyber & Professional Lines Group to offer ProSecure—a suite of coverage offerings that lets you choose the protection that best addresses your healthcare-related risks. Coverage is designed specifically for physicians and medical practices insured with ProAssurance.

Enhanced Cyber Liability Coverage

You receive defined CyberAssurance® Plus protection with your ProAssurance medical professional liability policy at no additional charge. ProSecure's higher limits and additional coverages pick up where your policy's CyberAssurance Plus protection ends. Following are examples* of how ProSecure's Enhanced Cyber Liability Coverage can help.

- ***Post-Breach Remediation Costs***
  A medical office experienced a ransomware event that resulted in the shutdown/compromise of their computer systems. Forensic investigators were hired to determine whether the attacker's malicious activities involved access to sensitive information. It was later determined that no critical data was breached. To mitigate the potential of a future security breach, two-factor authentication and firewall systems were implemented. Security awareness training was also provided to the office staff. Cyber liability insurance covered the cost to implement these cyber security measures as post-breach remediation costs, which totaled more than $20,000.
- ***Court Attendance Costs***
  A dermatology center uses before and after pictures of clients on its website and related marketing materials. Clients have given consent to the use of their images under conditions of anonymity. However, when photos were posted online, the metatags included the clients' last names and therefore showed up as a result of a search of those names. A few of the clients sued the clinic for unauthorized use of their likenesses. In an effort to resolve the matter, the owner of the clinic was required to attend mediation sessions over the course of several days. Cyber liability insurance reimbursed the owner for actual loss of earnings and the reasonable costs and fees incurred by the owner while attending the mediation sessions.
- ***Dependent System Failure***
  A doctor's office uses a third party to host all software, data, and files. The third-party provider suffered a ransomware attack. Rather than pay the ransom, the third-party provider opted to install new servers and was able to recover and restore all data and files. In the interim, the doctor's office was unable to access any of its own data and files hosted by the third-party provider. As a result, patients were turned away due to the office being unable to access critical patient information. After an evaluation of the doctor's profit and loss statement, payroll summary, and other financial records, a forensic accountant determined that the doctor's total lost income resulting from this event, after accounting for the waiting period, was approximately $40,000. Cyber liability insurance covered the lost income and extra expenses incurred by the doctor.

Costs for these three situations far exceeded the defined coverage provided in each insured's medical professional liability policy. These scenarios outline possible instances that could trigger ProSecure's Enhanced Cyber Liability Coverage and may not be covered under the coverage provided with the medical professional liability policy.

Regulatory Risk Protection Coverage

Your ProSecure Regulatory Risk coverage provides extra protection for billing errors, medical regulatory violations, and regulatory fines and penalties. Following are examples of investigations addressed by this insurance.

- ***Qui Tam***
  A qui tam action was filed against an urgent care facility alleging that the facility inflated its billings for urgent care medical services (also known as "up-coding"). The facility was reimbursed for over $1 million in defense costs under MEDEFENSE® Insurance.
- ***Stark Violations***
  The Office of the Inspector General (OIG) investigated the contracts, leases, and referral systems of a large healthcare system for potential Stark violations. The OIG served several expansive subpoenas for records on the system in the course of its investigation. The insured retained counsel and vendors to respond to the subpoenas, incurring almost $1.5 million in expenses. After over two years of negotiations, the matter was resolved, and the insured paid the government $4 million in restitution.
- ***Billing Errors***
  CMS suspended Medicare payments to an anesthesiology group, pending review of 100 patient records for alleged overpayment and billing errors. CMS then claimed approximately $11 million in overpayments based on its review findings. The group retained counsel to draft a notice of appeal and financial rebuttal stating that the overpayment demand is based on an unreliable and inaccurate extrapolation performed by the CMS auditor. The group reached a settlement with CMS. MEDEFENSE® Insurance reimbursed $139,930 in defense costs to the group.

** All examples are for illustrative purposes only. The terms, limits, and conditions of each policy govern whether an actual claim would be covered. This communication provides a general product summary and should not be construed as a guarantee of coverage. Please refer to the policy for coverage details.*

PROASSURANCE®
PART OF The Doctors Company

ProAssurance is the marketing name for subsidiaries of ProAssurance Corporation that write medical professional liability insurance.

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