

A RESOLUTION

**Proposed
Resolution
20-851**

**See Emergency
D.C. Act 20-372
20 DCStat 3686**

To declare the existence of an emergency with respect to the need to approve Contract No. NFPHC-207a (2012-2013) to provide general liability, professional entity liability, professional physician liability, and excess coverage insurance to the Not-for-Profit Hospital Corporation; Contract No. NFPHC-207b (2013-2014) to provide general liability, professional entity liability, professional physician liability, and excess coverage insurance to the Not-for-Profit Hospital Corporation; and to authorize payment for the services received and to be received under the contracts.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “NFPHC Omnibus Liability Insurance Approval and Payment Authorization Emergency Declaration Resolution of 2014”.

**NFPHC
Omnibus
Liability
Insurance
Approval and
Payment
Authorization
Emergency
Declaration
Resolution of
2014**

Sec. 2. (a) The Not-for-Profit Hospital Corporation (“NFPHC”), through its insurance brokers, competitively bid general liability, professional entity liability, professional physician liability, and excess coverage insurance for November 23, 2010 through November 23, 2011, and November 23, 2011 through November 23, 2012. For each of these periods, Lexington Insurance Company quoted the lowest price for the best coverage, and since each policy was under \$1,000,000.00 in a 12-month period, Council approval was not required.

(b) In early 2012, the NFPHC, through its insurance brokers, competitively bid the liability insurance coverage for the subsequent 2012-2013 period. Hiscox Insurance Company Ltd. (“Hiscox”) quoted the lowest price for the best coverage, and permitted installment payments without indemnifications, thereby allowing the NFPHC to comply with the federal and local Anti-Deficiency Acts.

(c) The NFPHC purchased the liability policy from Hiscox for the November 23, 2012 through November 23, 2013 period.

(d) Approval is needed for NFPHC-207a because this policy, with a cost to NFPHC of \$1,606,500.00, was paid without proper Council approval.

(e) The NFPHC has taken necessary steps, including additional education of NFPHC employees, brokers and insurance vendors, to prevent future occurrences.

(f) In early 2013, the NFPHC, through its insurance brokers, competitively bid liability insurance coverage for the 2013-2014 period. Hiscox quoted the lowest price for the best coverage, and continued to permit installment payments without indemnifications, thereby allowing the NFPHC to comply with the federal and local Anti-Deficiency Acts.

(g) The NFPHC purchased the liability policy from Hiscox for the November 23, 2013 through November 23, 2014 period.

(h) Approval is needed for NFPHC-207b because this policy, with a cost to NFPHC of \$1,606,500.00, is being paid without proper Council approval.

(i) The NFPHC has taken necessary steps, including additional education of NFPHC employees, brokers and insurance vendors, to prevent future occurrences.

(j) Emergency approval of the 2012-2013 policy and the 2013-2014 policy is necessary so that NFPHC can continue to provide liability insurance to its physicians, staff, and facilities. Without this approval, Hiscox cannot be paid for these critical services provided and to be provided in excess of \$999,999.99.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitutes emergency circumstances making it necessary that the NFPHC Omnibus Liability Insurance Approval and Payment Authorization Emergency Act of 2014 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.