

CONSENT AGENDA
ITEM NO. 23

**CITY OF SAN ANTONIO
OFFICE OF MANAGEMENT & BUDGET
INTERDEPARTMENTAL MEMORANDUM**

TO: Mayor and City Council

FROM: Louis A. Lendman, Director of Management & Budget

THROUGH: Terry M. Brechtel, City Manager

COPIES: Milo Nitschke, Director of Finance; Christopher J. Brady, Assistant City Manager; Michael Rich, Risk Manager; File

SUBJECT: Ordinance Requesting the Purchase of Medical Professional Liability Insurance

DATE: November 13, 2003

SUMMARY AND RECOMMENDATIONS:

This Ordinance authorizes the City Manager or her designee to purchase Medical Professional Liability Insurance for the San Antonio Metropolitan Health District through the Underwriters @ Lloyds, Catlin Syndicate, through McGriff, Seibels & Williams of Texas, Inc., the City's Broker of Record. The policy coverage is for a one-year period beginning November 15, 2003 through November 15, 2004 at an estimated cost of \$168,538.00.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION:

Medical Professional Liability Insurance provides protection for covered claims involving wrongful acts or the omission of acts alleged to have resulted in bodily injury or property damage resulting from medical services provided by various health care professionals employed by the San Antonio Metropolitan Health District. The limit of liability under this policy is \$1,000,000 per loss event. The maximum limit that Underwriters @ Lloyds will be liable for is \$3,000,000 for an annual period, inclusive of claims expenses. The City's deductible under this policy is \$100,000 per loss event.

A Request for Proposals advertisement was published in the local newspaper on Sunday, September 21, 2003 and on Tuesday, September 30, 2003. The Risk Management Division completed an Application for Multi-Practice Clinic for Professional Liability Insurance on August 29, 2003, and soon thereafter, the City's Broker of Record began marketing for this

policy. Although a total of four markets were approached for this insurance, only one market, the London market, was able to give the City a firm quotation. All others declined to quote.

POLICY ANALYSIS:

The City Council has authorized the purchase of Medical Professional Liability Insurance since July 1, 1996. Comparing this year to last year, the premium for this insurance policy (and applicable taxes) represents a slight increase of approximately 3.5% from last year. The loss limit and deductible amounts are exactly the same as last year.

For the policy term of November 15, 2002 through November 15, 2003, the City has been insured by Lloyds of London. The renewal policy, like last year's coverage, is subject to a 25% minimum earned premium, and the policy requires an annual premium adjustment if the San Antonio Metropolitan Health District's scope of services (total number of clinic visits and laboratory tests) exceeds the projected scope of services as represented in the insurance application.

McGriff, Seibels & Williams of Texas, Inc., the City's Broker of Record, recommends placing the Medical Professional Liability Insurance coverage with Underwriters @ Lloyds (the Catlin Syndicate). The Risk Manager has conferred with the San Antonio Metropolitan Health District regarding coverage options available as well as self-insuring this risk. The Metropolitan Health District continues to believe it is essential to purchase commercial insurance for the San Antonio Metropolitan Health District's physicians, nurses, dentists, laboratory technicians, and case aids. The renewal policy covers all of these health professionals as well as covering the San Antonio Metropolitan Health District entity.

In keeping with the City's past practice of purchasing medical professional liability insurance and the strong desires of the Health Department management and physicians, the Risk Management Division concurs with the recommendation of McGriff, Seibels, & Williams of Texas, Inc.

FISCAL IMPACT:

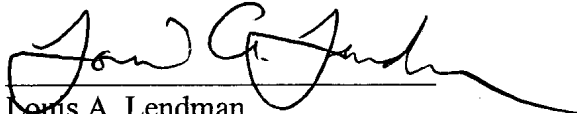
Sufficient funds are already appropriated in the Liability Self-Insurance Fund 75. This Ordinance will authorize the encumbrance of \$168,538.00 in the FY '03-'04 budget.

COORDINATION:

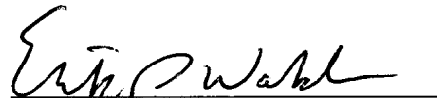
The Office of Management and Budget has coordinated this item with the Finance Department and the Health Department through the annual budget process.


SUPPLEMENTAL COMMENTS:

The Ethics Disclosure form required by this Ordinance is attached.


Louis A. Lendman
Director, Office of Management and Budget

APPROVED:


Erik Walsh
Assistant to the City Manager



City of San Antonio
Discretionary Contracts Disclosure

For use of this form, see City of San Antonio Ethics Code, Part D, Section 1&2

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

- (1) the identity of any individual who would be a party to the discretionary contract;

Andrew Tyrrell

- (2) the identity of any business entity that would be a party to the discretionary contract and the name of:

- (A) any individual or business entity that would be a subcontractor on the discretionary contract:

Price Forbes Limited

- (B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract;

Marsh (parent)

- (3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

None

Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any member of City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, or registered lobbyists of the entity.

None

City of San Antonio
Discretionary Contracts Disclosure

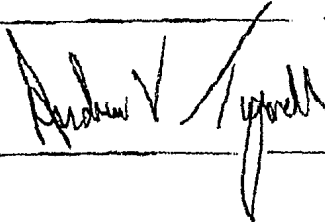
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Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood², raise a question as to whether any city official would violate Section 1 of Part D by participating in official action relating to the discretionary contract.

None

Signature:



Date:

4th November 2003