

**CITY OF SAN ANTONIO
HUMAN RESOURCES DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Sharon De La Garza, Director, Human Resources Department

SUBJECT: Request to Purchase Medical Professional Liability Insurance

DATE: November 18, 2004

SUMMARY AND RECOMMENDATION

This Ordinance authorizes the Interim City Manager or his designee to purchase Medical Professional Liability Insurance for the San Antonio Metropolitan Health District with 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 22, 2004 through November 22, 2005 at a cost of \$168,538.00 annual premium.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

Medical Professional Liability Insurance provides protection for 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.

The City issued a Request for Proposal on September 19, 2004 and September 26, 2004 that solicited proposals for Medical Professional Liability Insurance. It was advertised in the San Antonio Express News. The Risk Management Division and the San Antonio Metropolitan Health District completed an Application for Multi-Practice Clinic for Professional Liability Insurance on September 23, 2004, and immediately thereafter, the City's Broker of Record began marketing for this renewal policy. Although a total of ten 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 because, due to underwriting losses and restrictions on insuring a

group of physicians and dentists, they were not able to consider insuring the San Antonio Metropolitan Health District at this time.

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 is exactly the same as last year. The loss limit and deductible amounts are exactly the same as last year.

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 Management Division and the San Antonio Metropolitan Health District continue 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, the Risk Management Division concurs with the recommendation of McGriff, Seibels, & Williams of Texas, Inc. to purchase the renewal coverage with Underwriters @ Lloyds for the stated premium.

FISCAL IMPACT

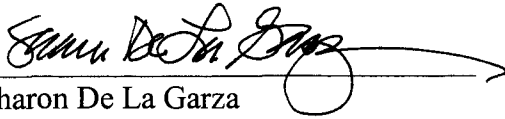
Sufficient funds are already appropriated in the Liability Self-Insurance Fund 75. This Ordinance will authorize the encumbrance of \$168,538.00 in the FY '04-'05 budget.

COORDINATION

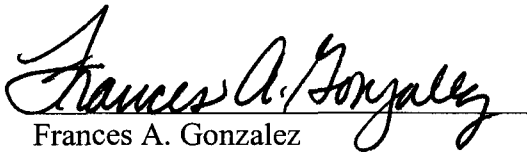
The Department of Human Resources has coordinated this item with the Finance Department and the Health Department through the annual budget process.

SUPPLEMENTAL COMMENTS

The required Ethics Disclosure Statement is attached.

A handwritten signature in cursive script, reading "Sharon De La Garza", written over a horizontal line.

Sharon De La Garza
Human Resources Director

A handwritten signature in cursive script, reading "Frances A. Gonzalez", written over a horizontal line.

Frances A. Gonzalez
Assistant City Manager

A handwritten signature in cursive script, reading "J. Rolando Bono", written over a horizontal line.

J. Rolando Bono
Interim City Manager

Attachments

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;

Bryan Miller

- (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;

Crump Insurance Services of Texas, Inc

- (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 USA, Inc

- (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.

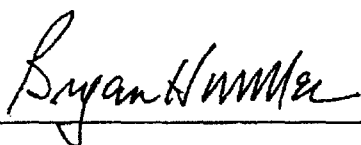
None

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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 B by participating in official action relating to the discretionary contract.

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|---|-------------------|
| N/A | |
| Signature:  | Date: 11/10/04 |