

Nosocomial RxSM

Business Income and Extra Expense Insurance for Hospitals



Nosocomial infections – infections acquired in a healthcare setting — are a harsh reality of healthcare. Despite rigorous precautions, outbreaks can occur and multiple patients can be affected. When an outbreak involving the same infectious agent forces a hospital to cease admissions and shut down medical operations, the consequences for its finances and reputation can be devastating.

Nosocomial RxSM is a one-of-a-kind insurance solution designed to protect hospitals in the event of closure of one or more of their medical departments in such a crisis. This innovative coverage, available as an endorsement to Lexington's property insurance, provides fourfold protection that encompasses business income losses, mitigation expenses, crisis and regulatory response costs, and HIPAA claim preparation costs that result from a clonal outbreak of a nosocomial infection.

Coverage Highlights

In the event of closure of one or more of an insured hospital's medical departments, Nosocomial Rx reimburses insureds for:

- Business income lost during the period the insured hospital (or specific medical department/s) is closed due to a clonal outbreak of a nosocomial infection. This includes lost income arising from cancelled procedures and patients diverted to other facilities.
- Mitigation expenses the insured incurs during the outbreak period. Typical mitigation expenses include extraordinary expenses associated with staffing the affected medical department or cohorting patients, analyzing, identifying and containing the covered infectious agent, and decontaminating affected areas.
- Crisis and regulatory response costs the insured incurs during the outbreak period, including fees for public relations services to restore the reputation and stature of the insured's facility during the closure and for legal guidance negotiating the regulatory issues associated with a covered incident.
- HIPAA claim preparation costs, including expenses to redact patient medical or financial records when submitting requests for reimbursement of a covered claim in line with the Health Insurance Portability and Accountability Act.

The policy responds to clonal outbreaks of nosocomial events arising from numerous infectious agents, including: aspergillus, citrobacter, clostridium, enterococcus, enterobacter, klebsiella, legionella, staphylococcus aureus, pseudomonas, salmonella, serratia, shigella, streptococcus, adenovirus, hepatitis virus, norovirus, and rotavirus.

Coverage is available with an aggregate limit up to \$5 million by endorsement to Lexington's commercial property insurance policies.

Contact

For more information, please contact Mike Reid at (617) 330-8429 or Michael.Reid3@chartisinsurance.com, or visit www.lexingtoninsurance.com.