

INNOVATION TO MANAGE RISK.



AIG

AIG Healthcare



STABILITY TO MAKE IT HAPPEN.

HOSPITAL PROFESSIONAL/GENERAL LIABILITY

UMBRELLA/EXCESS LIABILITY

MISCELLANEOUS FACILITIES/GENERAL LIABILITY

LONG-TERM CARE

PHYSICIANS AND SURGEONS

HEALTHCARE PRODUCTS MANUFACTURERS AND DISTRIBUTORS

MANAGED CARE ORGANIZATIONS

PROVIDER EXCESS LOSS

WORKERS' COMPENSATION

COMMERCIAL AUTOMOBILE LIABILITY

CLAIMS SERVICES

CONSULTING SERVICES

AIG HEALTHCARE.

INNOVATIVE COVERAGE TO MINIMIZE RISK.

AIG Healthcare didn't build a worldwide reputation for excellence by delivering the tried and true. We did it by delivering the untried and true: a full array of products and services that may be characterized as innovative, reliable and flexible.

AIG has often been the first to identify a new risk. And not only is our coverage frequently the first of its kind. In some categories it is the only coverage of its kind. In fact, we were the first company to offer liability coverage to managed care organizations two decades ago.

Does this mean we're proactive? Absolutely. But it's more than that. It's proactivity grounded in deep industry knowledge, emanating from 30 years of direct industry experience. The sum total of this knowledge and experience allows us to provide support services for legal and financial risks that consistently exceed client expectations.

<i>Financial Ratings</i>	<i>Since</i>	
STANDARD & POOR'S	AAA	1983
MOODY'S	AAA	1984
A.M. BEST CO.	A++	1997
FITCH	AAA	1997

THE FINANCIAL STABILITY TO MAKE INNOVATION POSSIBLE.

The financial assets and professional reputation of individuals and organizations are fragile things, especially in the world of healthcare. Developing solutions to protect these tangible and intangible assets to the fullest degree is no simple task. It requires the merging of creative and innovative thinking with industry expertise. But it also requires the extensive resources of a financially stable company.

As the leading U.S.-based international insurance company – with member companies in 130+ countries and jurisdictions – AIG has such resources. And AIG's financial strength, top-rated by anyone's standards, grows stronger every year, which means we can provide innovative and effective protection on a long-term basis.

Market changes cannot always be predicted. But whatever the future brings, count on AIG to be there, writing coverage for whatever needs emerge.

COVERAGE WITHOUT GAPS OR OVERLAPS.

AIG provides a full range of plans to help protect you from the unseen as well as the seen. All are aimed to cover every base without duplication. And all can be custom-tailored to respond to your specific needs.

This spectrum of coverage includes Professional and General Liability, Provider Excess, Products' Liability, Director's and Officer's Liability, Workers' Compensation and Automobile Liability.

The types of healthcare providers we cover include clinics, hospitals, laboratories, nursing homes, assisted-living facilities, dialysis centers, health departments, mental health centers, outpatient centers, pharmacies, physicians and surgeons.

We also provide E&O and D&O Liability for managed care organizations: IPAs, PPOs, MSOs, HMOs, PROs, PPMs, TPAs and UROs.

INTEGRATED SERVICES FROM EXPERIENCED PROFESSIONALS.

At AIG Healthcare, we take a team approach to underwriting, claims and risk consulting. The synergy this produces allows us to deliver more effective risk assessment and management as well as better customer service.

Our integrated services are brought to you by experienced professionals, including JDs, CPAs and CPCUs. Many other staff members came to us directly from the healthcare industry. Among our loss control experts and claims specialists, you'll find RNs. So you can be certain we have the people, the products and the creativity to construct a coverage product responsive to your needs.



AIG Healthcare can help clients in other important ways, too:

CLAIMS SERVICES INCLUDE:

- The AIG Healthcare Malpractice Claims Unit (MCU) is a multi-disciplined team with the expertise and experience to handle malpractice claims quickly and cost-effectively. Whether a claim is simple (negotiating a small monetary dispute) or complex (coordinating the efforts of multiple defense firms in hostile jurisdictions), the MCU has the resources and personnel necessary to achieve favorable resolutions.
- The Panel Counsel, a group that includes some of the top litigation law firms in the United States, provides support to AIG claims professionals, enabling them to deliver some of the best possible claims processing services in the industry. Drawing upon their in-depth knowledge of specific products and state regulations, the Panel Counsel anticipates how law firms, arbitrators and judges will approach a case. Armed with this assessment of a claim's environment, AIG claims professionals can take effective action on behalf of policyholders.

CONSULTING SERVICES INCLUDE:

- The AIG Healthcare Management Division provides customized consulting services aimed at reducing liability exposures, enhancing the quality of patient care and bolstering risk management programs. Our multi-disciplined staff offers expertise in all key healthcare areas, including administration, law, accounting, nursing, quality management and infection control. In demand as speakers at major industry events, many of our staff members are regular contributors to recognized journals.
- Educational Programs. Risk is a moving target. To keep risk management professionals current on the hottest issues and most pressing challenges of today's healthcare risk management environment, AIG Healthcare sponsors regional seminars presented by distinguished industry experts. For those risk management professionals whose attendance at such offsite events is restricted by schedule or budget, AIG Healthcare offers informative monthly telephone seminars as a convenient and cost-effective alternative.

A LOCAL AUTHORITY WITH WORLDWIDE RESOURCES.

AIG's healthcare industry experience and expertise is difficult to surpass, both on a local and worldwide level.

Through our regional offices – staffed by underwriters, risk management specialists and claims professionals – we have become familiar with local and state laws, regulations and guidelines. This regional presence adds a level of personal service and expertise that is essential to minimizing risk.

Beyond this vital local resource, you'll find the vast resources of the American International Companies ("AIC"). Available to policyholders through the auspice of AIG Healthcare, these resources include education programs such as crisis containment, child abduction, telemedicine and Medicare/Medicaid compliance. In addition, AIG Healthcare clients have access to a number of special services, including Premises Security Inspections.

VIEWING THE WORLD OF HEALTHCARE WITH INNOVATIVE EYES.

At AIG Healthcare, our innovative spirit drives us to develop ways to protect healthcare professionals and organizations from every conceivable risk, no matter how complex or new.

This innovative spirit is manifest in everything we do. Which means that AIG Healthcare is not simply dedicated to the creation of innovative coverage. We're dedicated to developing innovative ways to deliver and service the high-quality protection that we offer.



HOSPITAL PROFESSIONAL/ GENERAL LIABILITY

AIG HEALTHCARE

Underwritten by a member company of AIG





General, Psychiatric, Rehabilitation Women's, Children's, Teaching and Specialty

PRODUCT FEATURES

Liability Coverage Type: Claims-Made or Occurrence

Limits: Primary or excess coverage available up to \$25MM. For excess coverage, minimum attachment points apply and an underwriter must obtain AIG actuarial evaluation of the requested attachment point.

Minimum Premium: \$25,000 for primary limits; \$5,000 per million for excess limits

Minimum Deductible (for primary): None

Prior Acts Coverage: Available based on current retro date

ERP (Tail Coverage): ERP is available from one year up to unlimited

Defense Costs: Provided within limits

SUBMISSION REQUIREMENTS

Completed and signed application

Loss history – 10 years minimum

Current/historical exposure data to include changes in facility size, bed occupancy rate, employed staff, etc.

Expiring carrier, limits, deductible/SIR (if any), retro date, premium

Most recent audited financial statements

JCAHO survey report

For Excess Coverage: Ground-up loss runs for at least 10 years; underlying carrier, limits, premium, terms and conditions, and the expiring deductible/SIR; copy of any independent actuarial study done to determine funding of the SIR/captive layer

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UMBRELLA/EXCESS LIABILITY

AIG HEALTHCARE

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Coverage over Primary Policies and/or Self-Insured Retentions

PRODUCT FEATURES

Liability Coverage Type: Claims-Made or Occurrence

Limits: Coverage available up to \$25MM. For excess coverage, minimum attachment points apply and an underwriter must obtain AIG actuarial evaluation of the requested attachment point.

Coverage applies over underlying, inclusive of, but not limited to, medical professional liability, general liability, employers' liability and automobile liability.

Minimum Premium: \$5,000 per million for excess limits

Minimum Deductible: Determined by line of business and loss experience

Prior Acts Coverage: Available based on current retro date

ERP (Tail Coverage): ERP is available from one year up to unlimited

Defense Costs: Provided within limits

SUBMISSION REQUIREMENTS

Completed and signed application

Ground-up loss runs for at least 10 years; underlying carrier, limits, premium, terms and conditions, and the expiring deductible/SIR; copy of any independent actuarial study done to determine funding of the SIR/captive layer

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MISCELLANEOUS FACILITIES/ GENERAL LIABILITY

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**Ambulance Services, Community Health Centers, Diagnostic Dialysis Centers,
Hospices, Laboratories, Mental Health Centers, MRI Centers,
Outpatient Clinics, Occupational Rehab, Optical Establishments, Pharmacies,
Physical Rehab Facilities, Substance Abuse Counseling and Surgicenters**

PRODUCT FEATURES

Coverage: Professional Liability and General Liability

Limits: \$25MM available (limits apply separately to PL and/or GL)

Minimum Premium: \$25,000

Minimum Deductible: \$5,000

Prior Acts Coverage: Available

ERP (Tail Coverage): Available

Discounts: Available for favorable loss history and risk management activities

SUBMISSION REQUIREMENTS

Completed and signed application

Current/historical exposure data

Expiring carrier, limits, retro date, deductible/SIR, premium

Loss history for the past five years

Most recent audited financial statements

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LONG-TERM CARE

AIG HEALTHCARE

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Nursing Homes, Assisted Living and Residential Facilities

PRODUCT FEATURES

Liability Coverage Type: Claims-Made or Occurrence

Limits: Primary \$1MM/\$3MM
Excess \$10MM

Minimum Premium: \$50,000, higher in certain venues

Minimum Retention: \$25,000 (includes LAE)

Prior Acts Coverage: Available

ERP (Tail Coverage): Available

Defense Costs: Provided outside limits

Sexual/Physical Abuse Coverage: Available

SUBMISSION REQUIREMENTS

Completed and signed application

Pre-binding assessment by AIG Consultants

Loss history – five years' minimum

Current and historical exposure information based on type of licensed beds

Expiring carrier, limits, retro date, deductible, premium

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PHYSICIANS AND SURGEONS

AIG HEALTHCARE

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Individual and Group Liability

PRODUCT FEATURES

Coverage Type: Claims-Made or Occurrence

Limits: \$1MM per occurrence
\$3MM aggregate
Higher limits are available on an individual or shared basis

Minimum Premium: \$10,000

Entity Limits: Separate limits are available. Allied health professionals are included.

Prior Acts Coverage: Available based on current retro date

ERP (Tail Coverage): Available per underwriting standards

Death, Disability, Retirement Provision: Unlimited ERP for death, permanent/total disability; retirement at age 55 and five years

Defense Costs: In addition to limits but can be provided within for a 10% credit

SIR/Deductibles: Available upon request

Pricing: Subject to favorable loss history, continuing medical education, board-certified, and group size

Strong underwriting preference for doctor groups with common ownership whose historical experience and exposure information enables a loss-rated premium to be developed

SUBMISSION REQUIREMENTS

Completed and signed application for each physician and entity (if coverage desired)

Complete loss history for each physician (inception to date)

Expiring carrier, limits, retro dates, premium

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HEALTHCARE PRODUCTS MANUFACTURERS AND DISTRIBUTORS

AIG HEALTHCARE

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Biotechnology Companies, Diagnostic Products Manufacturers, Medical Device Manufacturers, Pharmaceutical Manufacturers and Clinical Trials

PRODUCT FEATURES

Liability Coverage Type: Claims-Made

Limits: Up to \$50MM available

Minimum Premium: \$10,000

Minimum Deductible: \$5,000 per occurrence

Prior Acts Coverage: Available based on current retro date

ERP (Tail Coverage): Unlimited ERP at 200% available for first \$5MM in coverage only; ERP for limits over \$5MM = seven years at 200%

Defense Costs: Provided within limits. Can be provided outside limits for an additional premium

Discounts: Available for favorable loss history, FDA inspections and recall history

SUBMISSION REQUIREMENTS

Completed application

Current/historical exposure data regarding sales

Loss history – five years' minimum

Expiring carrier, limits, deductible, retro date, premium

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MANAGED CARE ORGANIZATIONS

AIG HEALTHCARE

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E&O and D&O Liability for IPAs, PPOs, MSOs, HMOs, PROs, PPMs, TPAs and UROs

PRODUCT FEATURES

Coverage Type: Claims-Made

Limits: Up to \$25MM available dependent on the type and size of entity

Minimum Premium: Dependent on the type of entity and state where located – ranges from \$7,500 - \$10,000

Minimum Deductible: \$5,000 or \$10,000 dependent on the type of entity

Prior Acts Coverage: Available based on current retro date

ERP (Tail Coverage):

One year = 100% of expiring annual premium

Two years = 125% of expiring annual premium

Three years = 150% of expiring annual premium

Defense Costs: Provided within limits

Additional Coverages Available:

Anti-trust sublimit endorsement

Criminal acts defense coverage

Employment practices liability endorsement

Directors and Officers

SUBMISSION REQUIREMENTS

Completed application

Loss history (inception to date)

Audited financials

Provider contracts

All sales literature/brochures

Copies of standard benefit administration contracts

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PROVIDER EXCESS LOSS

AIG HEALTHCARE

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Coverage for medical providers who have entered into risk-bearing financial arrangements. PROVIDER EXCESS loss provides catastrophic coverage on an individual-specific basis.

PRODUCT FEATURES

Limits:

Up to \$1MM per covered member per policy for Specific Excess Loss coverage

No aggregate limit per policy year for Specific Excess Loss coverage

Up to \$1MM per policy for Aggregate Excess Loss coverage

Minimum Premium: \$15,000 – physician; \$25,000 – hospital

Minimum Deductible: \$5,000 – physician; \$50,000 – hospital

Co-Insurance: 80 or 90% is standard

Coverage for multiple HMO contracts

Coverage for “start-ups”

Coverage for “carve-out” programs on very specific risks, exposures

SUBMISSION REQUIREMENTS

Completed application

Copies of all provider contracts

Fee schedule

Claims experience

Monthly enrollment data

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WORKERS' COMPENSATION

AIG HEALTHCARE

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Statutory Coverage and Employers' Liability

PRODUCT FEATURES

Exclusively available to any healthcare organization insured by AIG Healthcare for their Professional Liability Insurance

Guaranteed Cost and Retrospectively Rated policies are available

Minimum Premium: \$50,000

Available in all states except monopolistic states

SUBMISSION REQUIREMENTS

Completed and signed Acord Workers' Compensation application

Completed AIG Healthcare Workers' Compensation Underwriting questionnaire

At least six years' prior loss history

Latest two years' financial statements

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COMMERCIAL AUTOMOBILE LIABILITY

AIG HEALTHCARE

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Including but not limited to:

Private Passenger, Service, Delivery, Busses and Vans

PRODUCT FEATURES

Exclusively available to any healthcare organization insured by AIG Healthcare for their Professional Liability Insurance

Minimum Premium: \$15,000

Available in all states (including Ohio and Massachusetts)

SUBMISSION REQUIREMENTS

Completed and signed Acord Commercial Automobile application, including vehicle schedule and drivers' list

Completed AIG Healthcare Commercial Automobile Underwriting questionnaire

At least six years' prior loss history

Motor vehicle reports for all listed drivers

Latest two years' financial statements

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CLAIMS SERVICES

We believe that timely response is crucial to effective and responsible claims resolution.

That is why within 24 hours of receiving a claim, we call the insured and gather the appropriate information. Further, we put you in touch with the experts who directly handle your case.

AI Management and Professional Liability claim adjusters send written notice containing all the pertinent contact information within 48 hours. We keep you informed at all times, every step of the way.

AIG HEALTHCARE

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BENEFITS:

Immediate Response – Claim adjusters immediately categorize claims according to the level of severity.

Ownership – We assign the appropriate claim adjuster that will handle the claim throughout the adjustment process. This streamlines the process for our clients.

Best Practices – We follow a strict “Best Practices Claims Handling” process that is industry-proven and provides maximum protection to our insureds.

Local Access & Attention – We have offices throughout the country to meet our clients’ local claims handling needs. Claims, underwriting and risk management specialists work together as a team to most efficiently meet our clients needs.

Multi-Disciplinary Approach – Our teams have extensive experience with hospitals, blood banks, nursing homes, psychiatric hospitals, group practices and a wide range of other healthcare providers. A multi-disciplinary approach allows us to understand the nuances of each field and appropriately manage each claim.

Panel Counsel – Top litigation firms partner with us and our clients to provide the best defense available. We anticipate plaintiff’s counsel actions and form strategies that help our clients mitigate claims costs. Further, we continually monitor our panel counsel to ensure we have the best and the brightest working with us.

We have the knowledge and skills to benefit our many clients and position them for the best possible outcome. Whether it’s our highly qualified, specialized claim adjusters or our aggressive, well-planned defense strategy, we anticipate and quickly respond to our clients’ needs.

CONSULTING SERVICES

CONSULTING SERVICE APPROACH

Healthcare organizations require customized and practical solutions to address the significant and complex issues facing the industry in today's turbulent healthcare environment. AIG Consultants, Inc. Healthcare Management Division (AIGC HMD) has the expertise to provide these solutions.

AIGC HMD relies on well established risk management principles, tools and methods. We deliver a risk reduction service plan tailored to our clients' needs and environment.

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CONSULTING STAFF

The AIGC HMD staff understands the healthcare industry because staff members are experienced healthcare professionals.

EDUCATIONAL PROGRAMS, PRODUCTS AND PUBLICATIONS

In addition to our on-site consulting services, AIGC HMD offers these additional services free of charge to the healthcare insureds of AIG:

National Seminar Series – An invaluable seminar that comes to your region with a distinguished healthcare faculty to discuss current issues in healthcare risk management.

Telephone Seminars – A convenient, informative, interactive and cost-effective means of obtaining the latest information on healthcare risk management issues.

AIG Caring Advantage™ – A program that provides value-added education to employees of long-term care facilities.

Viewpoint – Published by AIGC HMD, a quarterly healthcare risk management advisory focused on hospitals and health networks, long-term care organizations and employee safety.

RESULTS MAKE THE DIFFERENCE:

- Conducted in-depth review of obstetrical departments for a large multi-hospital chain. Developed a comprehensive risk reduction program that reduced claims 20% or \$6MM annually.
- Consulted with several organizations concerning the feasibility of outsourcing the credentialing process. Delivered direct annual cost reductions of \$100,000-plus to several organizations.
- Consulted with a large national healthcare organization to reduce workers' compensation loss costs. Costs were reduced 43%.

**COVERAGES UNDERWRITTEN BY MEMBER COMPANIES OF THE AMERICAN
INTERNATIONAL GROUP, INC. (AIG)**

COVERAGES MAY NOT BE AVAILABLE IN ALL STATES.

**THIS BROCHURE IS A SUMMARY FOR DESCRIPTIVE PURPOSES ONLY. PLEASE SEE
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