



NOT-FOR-PROFIT HOSPITAL CORPORATION

2017 DEC 21 PM 3:53

OFFICE OF THE
SECRETARY

NOV 21 2017

Date:


The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Council is proposed emergency legislation, "Modification of the Contract No. NFPHC-207 between Not-for-Profit Hospital Corporation and Ascot Underwriting, Bermuda, LTD Approval and Payment Authorization Emergency Act of 2017" and accompany declaration resolution to approve to Contract No. NFPHC-207 ("contract") and approve payment for General Liability, Professional Liability, Physician Malpractice Insurance and Umbrella/Excess Insurance ("Service"). This Service has an annual value of \$1,647,623.00 for the period beginning November 23, 2017 and ending on November 23, 2018.

As always, I am available to discuss any questions you may have regarding this proposed Contract. In order to facilitate a response to any questions you may have, please have your staff contact me at (202) 574-6611. I look forward to a favorable consideration on this contract.

Sincerely,


Luis Hernandez
Chief Executive Officer
Not-for-Profit Hospital Corporation

Enclosure

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement



Pursuant to section 202(c) of the Procurement Practices Reform Act of 2010, as amended, D.C. Official Code § 2-352.02(c), the following contract summary is provided:

COUNCIL CONTRACT SUMMARY

- (A) **Contract Number:** NFPHC-207
- Proposed Contractor:** Ascot Underwriting Bermuda LTD
- Contract Amount (Base Period):** \$1,647,623.00
- Unit and Method of Compensation:** Quarterly Payments
- Term of Contract:** 1 Year
- Type of Contract:** Fixed Price
- Source Selection Method:** Competitive Quotes
- (B) **For a contract containing option periods, the contract amount for the base period and for each option period. If the contract amount for one or more of the option periods differs from the amount for the base period, provide an explanation of the reason for the difference:**
- Base Period Amount:** \$1,748,795
- (C) **The goods or services to be provided, the methods of delivering goods or services, and any significant program changes reflected in the proposed contract:**

Lloyd's of London is the parent company for the Hospital multi-area insurance coverage. Ascot Underwriting Bermuda, LTD is a syndicate of Lloyd's of London and will provide General Liability, Professional Liability, Physician Malpractice Insurance and Umbrella/Excess Insurance Services.

For the FY17 budget year the hospital multi-area insurance coverage was provided by Hiscox also a syndicate of Lloyd's of London.

(D) The selection process, including the number of offerors, the evaluation criteria, and the evaluation results, including price, technical or quality, and past performance components:

The Hospital's brokers marketed its account for the 2017-2018 policy and received 2 (two) competitive quotes from Lexington and Ascot Underwriting Bermuda, LTD. In addition to price, the major evaluation criterion is the ability for the Hospital to pay its premium in installment payments without indemnifications in order to satisfy the federal and local Anti-Deficiency Act. Ascot, Underwriting Bermuda, LTD., proposed the lowest price for the required coverage, and Ascot Underwriting, LTD., was selected.

(E) A description of any bid protest related to the award of the contract, including whether the protest was resolved through litigation, withdrawal of the protest by the protestor, or voluntary corrective action by the District. Include the identity of the protestor, the grounds alleged in the protest, and any deficiencies identified by the District as a result of the protest:

There is no protest associated with this contract.

(F) The background and qualifications of the proposed contractor, including its organization, financial stability, personnel, and performance on past or current government or private sector contracts with requirements similar to those of the proposed contract:

Ascot is a global specialty insurance company. Domiciled in the UK, we have offices worldwide, including the United States. For the purposes of this application, we are looking to provide Malpractice insurance to NFPHC a DC hospital. More information can be found at www.ascotuw.com.

(G) A summary of the subcontracting plan required under section 2346 of the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code § 2-218.01 *et seq.* ("Act"), including a certification that the subcontracting plan meets the minimum requirements of the Act and the dollar volume of the portion of the contract to be subcontracted, expressed both in total dollars and as a percentage of the total contract amount:

N/A

(H) Performance standards and the expected outcome of the proposed contract:

The Contractor's performance will be regularly and routinely monitored by the Director of Risk Management and reported to the Chief Executive Officer for the Hospital. The expected outcome of this contract is to have the Contractor's services provided to the Hospital in an efficient, competent and cost effective manner.

(I) The amount and date of any expenditure of funds by the District pursuant to the contract prior to its submission to the Council for approval:

None.

- (J) A certification that the proposed contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with D.C. Official Code §§ 47-392.01 and 47-392.02:**

The Chief Financial Officer for the Hospital has reviewed the proposed contract and has provided certification of funds.

- (K) A certification that the contract is legally sufficient, including whether the proposed contractor has any pending legal claims against the District:**

Outside Counsel for the Hospital has reviewed the proposed contract and found it to be legally sufficient.

- (L) A certification that Citywide Clean Hands database indicates that the proposed contractor is current with its District taxes. If the Citywide Clean Hands Database indicates that the proposed contractor is not current with its District taxes, either: (1) a certification that the contractor has worked out and is current with a payment schedule approved by the District; or (2) a certification that the contractor will be current with its District taxes after the District recovers any outstanding debt as provided under D.C. Official Code § 2-353.01(b):**

The Citywide Clean Hands report indicates the contractor is current with its District taxes.

- (M) A certification from the proposed contractor that it is current with its federal taxes, or has worked out and is current with a payment schedule approved by the federal government:**

The Contractor is in compliance with tax obligations of the Department of Employment Services and the Office of Tax and Revenue.

The Contractor has certified that it is in compliance with federal tax requirements.

- (N) The status of the proposed contractor as a certified local, small, or disadvantaged business enterprise as defined in the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended; D.C. Official Code § 2-218.01 *et seq.*:**

The Contractor is not a certified local, small or disadvantaged business enterprise.

- (O) Other aspects of the proposed contract that the Chief Procurement Officer considers significant:**

None.

- (P) A statement indicating whether the proposed contractor is currently debarred from providing services or goods to the District or federal government, the dates of the debarment, and the reasons for debarment:**

The Contractor's name does not appear on the Federal or District Excluded Parties Lists.

(Q) Any determination and findings issues relating to the contract's formation, including any determination and findings made under D.C. Official Code § 2-352.05 (privatization contracts):

None.

(R) Where the contract, and any amendments or modifications, if executed, will be made available online:

The Hospital's website is currently being upgraded and the hospital intends to post the executed contract as soon as possible. Until then, the contract remains available on-site.

(S) Where the original solicitation, and any amendments or modifications, will be made available online:

The Hospital's website is currently being upgraded and the hospital intends to post the solicitation as soon as possible. Until then, the solicitation remains available on-site.



Chairman Phil Mendelson
on behalf of the Not-for-Profit
Hospital Corporation

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve, on an emergency basis, Contract No. NFPHC-207 between the Not-for-Profit Hospital Corporation and Ascot Underwriting Bermuda, LTD., to provide insurance coverage to the Hospital, and to authorize payment for the services received and to be received under the Contract.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the “Contract No. NFPHC-207 with Ascot Underwriting Bermuda, LTD Approval and Payment Authorization Emergency Amendment Act of 2017”.

Sec. 2. Pursuant to section 451 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 803; Pub. L. 93-198; D.C. Official Code § 1-204.51), and notwithstanding the requirements of section 202 of the Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-352.02), the Council approves Contract No. NFPHC-207 between the Not-for-Profit Hospital Corporation and Ascot Underwriting Bermuda, LTD, to provide insurance coverage to the Hospital, and authorizes payment for the services received and to be received under this Contract and payment in the amount of \$1,647,623.00.

1 Sec. 3. Fiscal impact statement.

2 The Council adopts the fiscal impact statement of the Chief Financial Officer as
3 the fiscal impact statement required by section 4a of the General Legislative Procedures
4 Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-
5 301.47a).

6 Sec. 4. Effective date.

7 This act shall take effect following approval by the Mayor (or in the event of veto
8 by the Mayor, action by the Council to override the veto), and shall remain in effect for
9 no longer than 90 days, as provided for emergency acts of the Council of the District of
10 Columbia in section 412(a) of the District of Columbia Home Rule Act, approved
11 December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).



Government of the District of Columbia

CERTIFICATE OF CLEAN HANDS

ASCOT UNDERWRITING BERMUDA, LTD
ONE BRYANT PARK STE 4015
NEW YORK, NY 10036-6728

EIN : *****6977

As reported in the Citywide Clean Hands system, the above referenced individual or entity has no outstanding liability with the District of Columbia. As of the date herein, you have complied with the following official DC code and therefore are issued this Certificate of Clean Hands.

TITLE 47. TAXATION, LICENSING, PERMITS, ASSESSMENTS AND FEES
CHAPTER 28. GENERAL LICENSE LAW
SUBCHAPTER II. CLEAN HANDS BEFORE RECEIVING A LICENSE OR PERMIT
D.C. Code § 47-2862 (2006)
§ 47-2862. Prohibition against issuance of license or permit.

A handwritten signature in blue ink, appearing to read 'Doris Faulkner', positioned above a horizontal line.

Authorized By Doris Faulkner
Acting Chief of Collections

Date: Tuesday this 12th day of December 2017 08:21 AM

Tracking#: 757465

This document is a certified, complete and true copy.

Government of the District of Columbia
Office of the Chief Financial Officer



MEMORANDUM

To: Luis Hernandez, Chief Executive Officer

From: Lilian Chukwuma, CFO – Not-for-Profit Hospital Corporation

A handwritten signature in blue ink, appearing to be 'Lilian Chukwuma', with the initials 'LC' written below it.

Date: December 20, 2017


Re: Contract No. NFPHC-207 between the Not-for-Profit Hospital Corporation and Ascot Underwriting Bermuda, LTD (2017 – 2018 Policy)

The Not-for-Profit Hospital Corporation (NFPHC) intends to contract with Ascot Underwriting Bermuda, LTD for Professional Liability, Physician Malpractice Insurance and Umbrella/Excess Insurance. The total annual cost is \$1,647,623.00 covering a twelve month period.

The Office of the Chief Financial Officer hereby certifies that the funds are included in the NFPHC FY 2018 approved budget. All funds proposed under this contract for FY 2018 are contingent upon the approval of the NFPHC FY 2018 Appropriated Budget.

MEMORANDUM

TO: Luis Hernandez
Chief Executive Officer

FROM: Emil Hirsch 
Outside Counsel

RE: Contract No. NFPHC-207 with Ascot Underwriting Bermuda, LTD
Approval and Payment Authorization Emergency Amendment Act of
2017

DATE: December 20, 2017

SUBJECT: Legal Sufficiency

I have reviewed the above-referenced proposed modification to Contract No. NFPHC-207 between No-for-Profit-Hospital-Corporation and Ascot Underwriting Bermuda, LTD. I hereby certify that it appears to be legally sufficient. Please be advised that my finding is premised on any Modification being submitted to and approved by the Council of the District of Columbia.



Not-For-Profit Hospital Corporation
 Updated for 11/23/2017 Renewals *(12/15/2017 revised)*

July 9, 2017-2018 Policies

Agency Billed on behalf of the carrier listed (CNA, RSUI or Chubb)

NO CHANGES TO The following policies that renewed in July

Due Dates	Property-CNA Policy #RMP4033092039	D&O/EPL-RSUI Policy # NHP663780	Auto-CNA Policy #5086522829	Crime-Chubb Policy # 140029523	\$5M Excess D&O Policy #
7/9/2017	\$36,483	<u>\$44,510</u>	\$9,381	<u>\$4,461</u>	<u>\$21,065.00</u>
10/9/2017	\$24,689		\$6,347		
1/9/2018	\$24,689		\$6,347		
4/9/2018	<u>\$24,689</u>		<u>\$6,347</u>		
TOTALS	\$110,550	\$44,510	\$28,422	\$4,461	\$21,065

Property, D&O, Crime & Auto premiums are **payable to: USI Insurance**

USI Insurance, Accounting Center, PO Box 62937, Virginia Beach, VA 23466

OR **For overnight delivery:** USI Insurance, Accounting Center, 4605 Columbus ST., Virginia Beach, VA 23465

Due Dates	Work Comp- AIG Policy #WC012851802		Total Due
	Premium	DC Surcharge	
7/9/2017	\$314,115	\$20,857	\$334,972
8/6/2017	\$104,706		\$104,706
9/9/2017	\$104,705		\$104,705
10/9/2017	\$104,705		\$104,705
11/9/2017	\$104,705		\$104,705
12/9/2017	\$104,705		\$104,705
1/9/2018	\$104,705		\$104,705
2/9/2018	\$104,705		\$104,705
3/9/2018	\$104,705		\$104,705
4/9/2018	\$104,705		\$104,705
TOTALS	\$1,256,461	\$20,857	\$1,277,318

WC installments are due AIG Ins, they will send invoices directly.
Reminder - AIG may take up to 90 days to invoice



November 23, 2017-2018 (Revised)
Hospital Professional, GL, Physicians & Excess Policies
Ascot Insurance/Lloyds

Agency Billed on behalf of the carrier listed (Hiscox/Lloyds)

Due Dates	Primary Policy ⁽¹⁾	Excess Policy ⁽²⁾	Excess Policy ⁽³⁾
	Policy #TBD	Policy #TBD	Policy #TBD
	Includes 1st excess layer of \$4,000,000	2nd Layer Excess Policy of \$2,000,000 excess of \$4M	3rd Layer Excess Policy of \$3,000,000 excess of \$7M
11/23/2017	\$354,510	\$32,670	\$22,140
2/23/2018	\$328,250	\$30,250	\$20,500
5/23/2018	\$328,250	\$30,250	\$20,500
8/23/2018	<u>\$328,250</u>	<u>\$30,250</u>	<u>\$20,500</u>
TOTALS	\$1,339,260	\$123,420	\$83,640

- (1) November installment includes annual Surplus Lines Tax in the amount of \$26,260
- (2) November installment includes annual Surplus Lines Tax in the amount of \$2,420
- (3) November installment includes annual Surplus Lines Tax in the amount of \$1,640

Professional / GL /Phys & Excess premium installments are payable to USI Insurance:

USI Insurance, Acctg Center, PO Box 62937, Virginia Beach, VA 23466

November 23, 2017-2018
Physicians' Excess Policy (Revised 12/15/2017)
Ascot - Policy # TBD

\$2M excess over \$1M for
total of \$3M

Due Dates	Premium	Surplus Lines Tax	Total amount due
11/23/2017	\$49,875.00	\$3,990.00	\$53,865.00
2/23/2018	\$49,875.00		\$49,875.00
5/23/2018	\$49,875.00		\$49,875.00
8/23/2018	\$49,875.00		\$49,875.00
TOTALS	\$199,500.00	\$3,990.00	\$203,490.00

Physicians' Excess premium installments are payable to USI Insurance:

USI Insurance, Acctg Center, PO Box 62937, Virginia Beach, VA 23466



NO CHANGE TO This policy bound eff. 2/01/2017.

February 01, 2017 - 2018
Cyber Liability
NAS Pol# 492690

Agency Billed on behalf of the carrier listed (NAS/Lloyds)

\$10M limit/\$100k Ded
Policy #492690

Option Selected

Premium	\$81,544
Tax	\$1,631
TOTALS	\$83,175

Cyber Liability - is payable to USI Insurance:

USI Insurance, Acctg Center, PO Box 62937, Virginia Beach, VA 23466

Signature

Date

Name

Title

NOTFOR

2017 Marketing Results – November 2017 Policies

Company	Remarks
ENTITY POLICIES:	
Lexington Insurance	Declined
CNA -	Could not competitive.
Berkshire Hathaway	Declined –No pay plan offered
One Beacon	Declined – Venue & Exposure
Starstone Insurance	Declined – Class (Hospitals)
PHYSICIAN'S EXCESS:	
CMIC	Non-Renewed 2016-2017 policy
Coverys	Quoted \$200k+, OB status concern. Unable to offer payment plan.
General Star	Quoted \$300+ Excluding OB
Markel	\$300k but only if DOH requirements to reopen OB have been met
Starstone Insurance	Declined – class does not support Hospital exposures
Ascot/Lloyds	Quoted \$199,500 + SLT