

**BLAIS EXCESS & SURPLUS**  
**AGENCY OF TEXAS, INC.**



**PRESS RELEASE**

**FOR IMMEDIATE RELEASE – August 25, 2003**

**COVERAGE FOR  
HIPAA'S  
CIVIL FINES AND PENALTIES**

Consideration needs to be given to extending a fiduciary liability policy to provide a sublimit of coverage for civil fines and penalties assessed under the federal Health Insurance Portability and Accountability Act (HIPAA).

Travelers for example provides a new endorsement to its fiduciary liability insurance policies that specifically provides coverage for civil penalties assessed under HIPAA. The endorsement is available on Fiduciary Liability PLUS+®, Travelers Bond's stand-alone fiduciary liability policy, and on fiduciary liability coverage purchased under The WRAPSM, Travelers Bond's executive liability package policy, or The AdvantageSM, an executive liability package policy for financial institutions. To our knowledge, Travelers is currently the only carrier to offer coverage for civil penalties under HIPAA.

**HIPAA is an issue of real concern for employers and plan fiduciaries as they wrestle with what compliance with the new Privacy Rule will mean for their organization.**

In response to HIPAA, the Department of Health and Human Services (HHS) required compliance with the Standards for Privacy of Individually Identifiable Health Information (the Privacy Rule) by April 14, 2003. This Rule is designed to protect certain information related to an individual's health and health care that may be in the hands of a health care provider or a health care plan. An extremely detailed and complex set of regulations, the Privacy Rule restricts the use and handling of Protected Health Information (PHI). Since the Rule applies to health plans, it has implications for employers who provide and maintain those health plans for their employees. Violations of the Privacy Rule can result in civil penalties of up to \$100 per violation, and up to as much as \$25,000 per year.

**For more information on HIPAA,  
visit the Health and Human Services Web site at  
[www.hhs.gov/ocr/hipaa](http://www.hhs.gov/ocr/hipaa).**

As a wholesale broker specializing in financial service products, Blais Excess & Surplus Agency of Texas, Inc.'s knowledgeable and experienced staff assists agents/brokers with the acquisition, placement and service of Directors & Officers Liability (D&O), General Partners Liability (GPL), Employment Practices Liability (EPLI), Crime (Fidelity), Kidnap & Ransom (K&R), Errors & Omissions (E&O), Media Liability and Loss Mitigation products for a variety of industries. Clients assisted include but are not limited to energy, biotech, high tech, financial institutions, profit and non-profit entities, partnerships, healthcare, companies making Initial Public Offerings and companies in the process of merger or acquisition.

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