

Board Meeting
November 12, 2020

APPROVE REVISIONS TO THE UNIVERSITY'S
LIABILITY SELF-INSURANCE PLAN

Action: Approve Revisions to University's Liability Self-Insurance Plan

Funding: No New Funding Required

The Board of Trustees ("Board") authorized the establishment of a program of self-insurance on July 21, 1976, for the purpose of paying certain types of liability claims that may be asserted against the University, Board Members, Officers, employees and students arising from the scope of their University duties, relationships, or employment. Entitled the University of Illinois Liability Self-Insurance Plan (the "Plan"), was made effective August 1, 1976, and has been amended periodically to update Plan language as needed. Amendments are prepared and presented by the Vice President/Comptroller ("V.P./CFO"), approved as to form by University Counsel, and submitted to the President of the University for subsequent consideration by the Board.

The Plan covers the Board as a whole and members and officers of the Board, as well as various employees and agents acting on behalf of the University within the scope of their duties. This includes employees and students who provide healthcare services at both University-owned locations and non-University locations. This aspect of the Plan constitutes a significant portion of its coverage given the large number of

procedures performed at the hospital and clinics and the relatively litigious environment in Cook County.

Several months ago, University Risk Management, which, under the direction of the V.P./CFO oversees the Plan, requested that University Counsel assist in conducting a comprehensive review of the Plan. University Counsel retained outside counsel Mike Trucco of Stamos & Trucco to assist with the review. Mr. Trucco has extensive experience in insurance matters and medical malpractice defense and previously had advised the University on discrete aspects of the Plan. A working group consisting of members of University Risk Management, the Office of University Counsel, and Mr. Trucco met repeatedly to review each and every provision of the Plan.

The comprehensive review, and the proposed changes resulting therefrom, address three types of issues. First, certain provisions of the Plan were updated to reflect practices that have evolved during the 44-year history of the Plan's administration. Second, other provisions were edited slightly to provide clarity in dealing with particular situations that have arisen in recent years. Third, the entirety of the Plan language was reviewed and modified to promote precision and consistency. It is worth noting that there are no material changes to the substantive provisions of the Plan.

Following these numerous iterations, a proposed, red-lined version of the Plan was created. This again was reviewed in detail by the working group. The red-lined version then was discussed at length with the V.P./CFO. Thereafter, members of the group, along with the V.P./CFO and Mr. Trucco, met with representatives of the hospital and clinics and College of Medicine ("COM") to walk through the proposed Plan

revisions. The meeting included Vice Chancellor for Health Affairs Dr. Robert Barish, University of Illinois Hospital and Clinics CEO Mike Zenn, COM Dean Dr. Marc Rosenblatt, and Anesthesiology Department Head and Assistant Vice Chancellor for Health Affairs for Medical Liability Dr. David Schwartz. A thorough and thoughtful discussion occurred, including the reasoning behind various proposed changes. There was consensus support for the proposed revisions. Following this discussion and review, members of the working group and Mr. Trucco briefed Trustee Stuart King, Chair of the University Healthcare System Committee (“UHS Committee”), to which the proposed revisions would be presented prior to consideration by the full Board of Trustees. Gregory J. Knott, Secretary of the Board of Trustees and the University attended as well.

The revised Plan document setting forth the recommended changes to be effective January 1, 2021, accompanies this item and is incorporated herein. In the red-lined version of the document, proposed deletions are ~~struck through~~ and proposed additions are underlined. For ease of reading, a clean version showing the Plan with the revised changes already included also is attached.

The Board action recommended in this Item complies in all material respects with applicable State and Federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustee policies and directives.

The University Counsel concurs with this recommendation to approve the revisions of the Plan as shown.

The President of the University recommends approval.