

ASMNOV1712.N Civil Liability Coverage for District Branch Ethics Investigations

From: "Annette L. Hanson -MDH-" <annette.hanson@maryland.gov>
Date: September 13, 2018 at 1:24:33 PM EDT
To: "Moraske, Allison" <AMoraske@psych.org>
Subject: Action paper followup: ASMNOV1712.N Civil Liability Coverage for District Branch Ethics Investigations
Hello,

I'm trying to determine the outcome of the above-listed action paper which was passed by the Assembly in November 2017. The Board of Trustees responded to the first resolution, but I received no response to the second and third "resolved" statements, which were:

2. The American Psychiatric Association shall amend the APA Operations manual to include information regarding indemnification of district branches for liability related to ethics investigations.

3. The American Psychiatric Association shall develop a written policy and protocol to provide expenditures to district branches specifically to support ethics investigations.

Annette Hanson, MD,
Director, University of Maryland Forensic Psychiatry Fellowship

Forwarded message -----

From: **Margaret Dewar** <MDewar@psych.org>
Date: Mon, Sep 17, 2018 at 11:03 AM
Subject: Action paper follow-up: ASMNOV1712.N Civil Liability Coverage for District Branch Ethics Investigations
To: "annette.hanson@maryland.gov" <annette.hanson@maryland.gov>
Cc: Ardell Lockerman <ALockerman@psych.org>, Margaret Dewar <MDewar@psych.org>

Dr. Hanson,
The following actions were taken in response to the Action Paper on Civil Liability from November 2017.

The Board first addressed the issue during the March 2018 Board of Trustees meeting. The following Board action was reported out in the March 2018 BOT Summary of Actions:

7	7.A.2	<u>Joint Reference Committee</u> The Board of Trustees voted to reaffirm providing a summary of the APA's Director & Officer Liability policy on the District Branch Executives website. The JRC noted that it was not in the best interests of the APA to release the APA Director and Officer Liability policy beyond the summary document already provided to the District Branches on the DB Executives Website.	Chief of Staff • Association Governance Chief Membership & Strategy Officer
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The APA Board Executive Committee passed the following resolutions on April 10, 2018:

Civil Liability Coverage for District Branch Ethics Investigations

Background: The JRC referred the Assembly action paper 12.N, *Civil Liability Coverage for District Branch Ethics Investigations* to the Board of Trustees at its March 2018 meeting. The Board of Trustees voted to reaffirm providing a summary of the APA's Director & Officer Liability policy on the District Branch Executives website. The JRC noted that it was not in the best interests of the APA to release the

APA Director and Officer Liability policy beyond the summary document already provided to the District Branches on the DB Executives website.

Action Items 2 and 3 were referred to the Board Executive Committee for consideration. The Executive Committee considered Actions 2 and 3 of the original Assembly report and approved the following actions:

ACTION 1: The Executive Committee voted to amend the APA Operations manual to include information regarding indemnification of district branches for the liability insurance deductible related to ethics investigations.

ACTION 2: The Executive Committee voted to approve having the Administration develop a written policy setting out how expenditures relating to ethics investigations should be managed. The policy will be reviewed either during the Board Executive Committee call in June 2018 or during the Board of Trustees meeting in July 2018.

APA Assistant General Counsel Alison Crane provided the following Operations Manual language related to D&O Liability Policies for DBs/SAs

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The Operations Manual language is included below.

D. Including District Branches and State Associations on APA's Directors and Officer's Liability Policies

Provided that APA can secure reasonable insurance at a reasonable cost, APA will include the District Branches and State Associations as additional insureds on its Director's and Officer's liability policies. APA will pay any additional premiums for this coverage. If such insurance cannot be obtained by the APA for the DB/SAs, APA will immediately communicate that to the DB/SAs.

District Branches and State Associations are expected to pay the deductible if any claim is brought against them, except when the act which gives rise to the claim is something APA has specifically requested the District Branch or State Association to do, e.g. Ethics claims. For any act which is a result of the District Branch or State Associations decisions and/or actions, the District Branch or State Association shall be responsible for the deductible. DB/SAs are free to purchase their own D&O insurance or to seek insurance to cover the deductible portion of any claim. In the event that a DB/SA experiences a financial need, it can apply for an Infrastructure Grant.

Margaret Cawley Dewar
Director | Association Governance
American Psychiatric Association