

Case Study

Clarian Health Partners

Clarian Health Partners is a unique consolidation of private and academic health care organizations, including Indianapolis' premier downtown hospitals—Methodist Hospital, Indiana University Hospital, and Riley Hospital for Children. Clarian is the largest health system in Indiana and a leader in clinical care, education, and research.

Its primary mission is to improve the health of its patients and community through innovation and excellence. With approximately 1,700 physicians, 22,000 employees, and 51,800 admissions each year, Clarian's annual patient revenue totals \$3.17 billion.

With Clarian Health's history of medical excellence and industry leadership, the company wanted an insurance broker with an equivalent level of market expertise and distinction. As a result, it turned to Aon's National Healthcare Practice, building a strong partnership that has lasted over four years. "Since becoming our broker, Aon has helped Clarian get our hands around our risks and exposures and to achieve the right balance between commercial coverage, captive utilization and self insurance," said Michele Calderon Johns, JD, CPHRM, Director of Insurance Operations.

Clarian is a dynamic organization with strategic business development plans, and Aon works to continually align insurance and risk management services to Clarian's evolving business needs. Recently, Clarian's occupational health entity started a new billing operation. Aon recognized that Clarian's current insurance didn't cover E&O for this type of service and helped to secure proper coverage. In this way, Aon constantly assists Clarian's understanding of the extent and limits of its insurance program, and to stay informed about new coverage areas. Another example of Aon's foresight involves Clarian's extensive use of sophisticated computerized systems and technology. Aon recognized cyber liability as an emerging risk and recommended purchasing cyber liability coverage to protect Clarian against the many threats that technology poses.

*Ms. Michele Calderon-Johns,
Clarian*



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Clarian and Aon have worked together to develop a sophisticated, comprehensive, and multi-layered insurance program, which includes commercial coverage for several lines of insurance, including property, E&O, D&O, aviation, excess workers' compensation, and auto, crime, fiduciary and cyber liability. Clarian's risk retention group—Clarian Health Risk Retention Group, Inc. (CHRRG)—provides professional and general liability insurance. Clarian then cedes this risk to Clarian Health Assurance, Ltd., its Cayman captive which acts as the reinsurer for CHRRG. Above its primary layers of coverage, Clarian Health Partners also leverages excess umbrella coverage of \$110 million as well as an aggregate stop loss program for CHRRG that attaches to professional and general liability losses at \$25 million.

When it comes to marketing Clarian, Aon highlights Clarian's many strengths to get the most coverage at the best price. For example, Clarian is consistently listed among the nation's best hospitals in *U.S. News & World Report*. Riley Hospital for Children is ranked among the nation's top 20 children's hospitals. In addition, Clarian achieved Magnet designation, a national designation recognizing nursing excellence. Clarian has one of the top transplant centers in the nation and one of the largest, most advanced medical transport services, which includes LifeLine helicopters and Riley Transport.

In the commercial market, Aon has leveraged Clarian's reputation and excellent track record to obtain significant price reductions and enhanced terms and conditions. Aon recently pushed carriers to reduce property premiums by three percent and to increase excess limits from \$80 million to \$110 million—a 37.5 percent increase in capacity with only a nominal price increase. In terms of captive utilization, Aon plays a significant role in the management of Clarian's risk retention group and insurance captive. "Aon is continually advocating on our behalf. Every year, I report to the CHRRG and CHHL Board, highlighting the areas where we have reduced costs while enhancing coverage. We're happy with the cost savings; they allow us to focus our resources on Clarian's mission, improving the health of our patients and community through quality care," added Johns.