



# HEALTH CARE PROTECTION PROGRAM

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## PROGRAM BULLETIN

March 15, 2018

**ATTENTION:** Chief Financial Officers / Risk Managers of  
Health Care Protection Program (HCPP) Health Care Agencies

**SUBJECT:** Release of Memorandum of Coverage (MoC), to replace single use  
Certificates of Coverage

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### What is changing?

On April 1, 2018, Health Care Protection Program (HCPP) will adopt the use of a Memorandum of Coverage (MoC) that evidences that Healthcare Agencies (HCAs) have \$5 million general liability coverage and that Additional Interest status will automatically be granted to the counterparty, if required by the contract.

**Effective April 1, 2018, HCAs will no longer need to submit requests to HCPP for Certificates of Coverage evidencing liability coverage of \$5 million or less, and/or granting Additional Interest status to the counterparty.**

HCPP will post the MoC, on the public-facing section of its website (<http://www.hcpp.org/>) effective **April 1, 2018**. It will be publically available for view 24/7, subject to internet availability. HCAs will no longer be required to wait for HCPP to produce a Certificate of Coverage, as the counterparty will be able to view the MoC at any time.

A context letter describing the purpose of the MoC, along with Frequently Asked Questions (FAQ) is posted to the HCPP website, in order to provide additional information to counterparties. A copy of the FAQs is attached to this bulletin for reference.

The first year the MoC will be issued for a short term from April 1, 2018 – December 31, 2018 and then on calendar year going forward.

### **How does this change impact the HCPP Liability Coverage Agreement?**

In order to move to the use of a MoC, the existing Additional Interest language will be deleted from the Coverage Agreement and replaced with the following broader language to address situations where HCAs have contractually agreed to provide Additional Interest status:

***When contractually agreed to by the HCA, the memorandum holders have been added as Additional Interests, but only with respect to liability arising out of the operations of the HCA.***

There is no material change to the coverage as this provision now appears on the Memorandum of Coverage and matches the language previously used on the HCPP Certificates of Coverage. Through this endorsement, a MoC may be used in lieu of issuing single use certificates specifically naming an Additional Interest.

### **Indemnity Approvals still required?**

Contracts that require HCAs to grant an indemnity must still be submitted to HCPP for review and indemnity approval as per the requirements of the *Financial Administration Act*.

### **What will the MoC not address?**

In most cases the MOC will eliminate the need for HCAs to submit a request for evidence of liability coverage; however HCAs will still be required to contact HCPP if they require proof of coverage for the following:

- Property;
- Boiler and Machinery;
- Professional Liability / Medical Malpractice;
- General Liability in excess of \$5,000,000;
- Excess Automobile Liability; and
- Directors' and Officers' Liability.

### **What if the other counterparty will not accept the MoC?**

Please direct them to the FAQs and advise that if Additional Interest status is contractually required, they are automatically granted this status as evidenced by the MoC. If you continue to experience difficulties with respect to acceptance of the MoC or have any questions, please contact your HCPP consultant.