

# PROFESSIONAL LIABILITY INSURANCE

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Risk Management

# Professional Liability Insurance

- For Physicians, provides insurance coverage for claims arising out of the practice of medicine
- Does not cover operations of a medical office or employee matters
- Does not insure any property (real or personal) loss

# Insurance Application

- Is a questionnaire which gives the insurance underwriter (person estimating how much this will cost you, ie premium) information on your training, experience, volume of business and prior claims.
- Application is a material representation to the insurance company—falsity in the information can void the policy
- Always tell the truth.

# Deductible/Retention

- This is the amount you will pay personally every time there is a claim against you.
- The insurance company has no obligations to you until you have paid the deductible.
- The higher your deductible, the less your annual premium

# Claims Made vs. Occurrence

- “Claim” is a demand for money or compensation of some kind
- “Claims Made” policy requires that the patient make a claim against the MD during the policy year, even if the event happened before the policy started.
- Occurrence policy requires that the event happened during the policy year.

# CSMC Faculty and House Staff

- The Medical Center carries professional liability insurance for all of its medical faculty and housestaff.
- The Medical Center's insurance does not provide insurance when you are moonlighting, even if you are moonlighting here.
- If you are receiving payment beyond your normal salary, most likely the Medical Center is not insuring you.

# “Tail Coverage”

- Claims arising from professional activity can first be made many years after the event.
- Problems develop when you change employers and a claim is made from an event which took place while you were with the previous employer. New insurer or employer will not insure.
- CSMC carries “tail coverage” for all of the events which happen here, even if you have left.