

WHAT IS PI INSURANCE?

PI (Professional Indemnity) insurance is a type of insurance that protect the policy holder from accusation and legal claims for negligence. In many industries and sectors Professional Indemnity Insurance is a mandatory requirement for licensing and registration.

CLINIC PI INSURANCE EXPLAINED

Professional Indemnity (PI) Insurance: A Crucial Safeguard for Service-Based Businesses

PI is an essential component for any business or organization that provides a professional service. The policy offers financial protection against claims of negligence or malpractice, safeguarding the entity from legal costs and potential damages.

In the healthcare sector, PI insurance is particularly critical. It acts as a safety net for practice owners and the company, shielding them from the financial burden of defending against allegations of patient harm. By covering legal costs and potential damages, PI insurance ensures the continued operation of the healthcare practice.

Non-clinical staff, such as practice managers and administrative personnel, play a crucial role in the smooth operation of a clinic. However, even with the best intentions, their actions can inadvertently contribute to negative patient experiences and outcomes. These errors can expose the practice to legal action, complaints, privacy breaches and investigations.

While medical practitioners are required to have their own personal Medical Indemnity insurance, the practice entity itself should also maintain a separate PI policy. A separate policy is often the only way to protect the entity because of the clinics organizational business structure. Relying solely on the practitioner's coverage may not be achievable or sufficient to protect the entire organization, particularly in cases of negligence beyond the scope of individual practitioner actions.

WHAT DOES CLINIC PI INSURANCE COVER?

PI insurance offers robust protection for professionals, covering a wide range of potential liabilities. While specific policies may vary, a quality Clinic PI policy typically includes coverage for:

Civil Liability Claims:

This covers allegations of negligence or malpractice resulting in harm (or loss) to patients.

Privacy Breaches:

It protects against claims arising from violations of data privacy laws or the misuse of confidential information.

Investigations:

Covers for the costs of defending against investigations by regulatory bodies.

Fraud and Dishonesty:

This protects against claims arising from fraudulent or dishonest acts committed by employees.

Defense Costs:

This includes legal fees, court costs, and expert witness fees incurred during the defense of a claim.

Payment of Damages:

It covers any settlements or judgments awarded against the professional in a successful claim

Vicarious Liability

This protects against claims arising from the actions of contractors, such as medical or allied health practitioners, who are acting on behalf of the practice.

Professional Indemnity (PI) Insurance: **Protecting Your Entire Clinic Team**

A comprehensive Clinic PI policy typically extends coverage to:

The Practice Entity:

This includes the clinic or company itself, protecting its financial interests.

Clinical Staff:

This includes nurses, allied health practitioners, and other clinical professionals **employed** by the practice.

Non-Clinical Staff:

This covers **employees** such as practice managers, receptionists, and administrative personnel.

CLAIMS EXAMPLES:

Pre-Employment Medical Assessments

The insured provides clients with pre-placement health/medical screening of workers. The insured contracts Doctors who carry out the physical assessments. The insured received a complaint from one of its clients, regarding a pre-placement medical assessment for a worker. It was alleged that the worker stated that at no time during the medical did the worker (claimant) see a doctor. Despite this, the medical assessment was signed by a Doctor. The insured confirmed that it appeared the particular worker had not been personally examined by the Doctor named in the report.

Receptionist Didn't Follow Protocol

A patient presented at a GP clinic with head trauma. He didn't have an appointment, as a result he was told that he would need to wait hours to see GP. The man went home, and was later admitted to hospital after having declined significantly over the following hours.

Breach of Privacy

A patient in a small rural town made a complaint to the HCCC, and later sued for damages after she overheard a clinic nurse discussing her medical condition and history with a friend, in the local supermarket.