

Professional Liability Insurance

A Critical Component to a Successful Career

Why do I need an individual professional liability insurance policy?

There is a misconception in the healthcare community that only doctors and hospitals get sued for medical malpractice. That's not true. When a patient is injured everyone involved in the case is typically named in the lawsuit.

"In healthcare liability, all healthcare providers are considered individually licensed professionals," said Edie Brous, R.N., Esq., a past president of The American Association of Nurse Attorneys. *"They are all responsible for their own work. All of them can be held accountable. And they can all be sued."*¹

The average cost to defend a healthcare provider against a malpractice lawsuit is \$25,000.² That's if the case is dropped, withdrawn or dismissed. If the claim is settled out of court, the average settlement cost is \$200,000; if it goes to trial, the average cost goes up to \$375,000.³ Having an individual policy offers you the peace of mind that your finances are protected.

Won't my employer's insurance policy cover me?

It might; while you are at work. Relying on your employer's professional liability coverage has its disadvantages.

- Your employer's insurer will put your employer's interests first—not yours
- Your employer's coverage is commonly effective only at your place of employment
- Often, employer's coverage does not cover Good Samaritan aid or volunteer activities
- You may have to share limits of liability with other defendants, leaving you under-insured
- If your employer's coverage is a claims made policy, you may be subject to financing your own "tail coverage", should you ever leave your workplace or seek new employment
- If a court judgment exceeds your employer's limits, you may be responsible for the difference

Having your own individual coverage through HPSO gives you malpractice insurance that *puts your interests first*, 24 hours a day, 365 days a year, regardless of whether you are on the job or off.

Will my employer-provided coverage defend me from a license complaint?

Employer-provided policies commonly lack coverage for complaints made with your state licensing board (often times the employer is the one making the complaint!). This can be an important gap in coverage, as there are *ten times more licensing actions* filed against healthcare professionals than malpractice claims.⁴

"You have the right to go to your licensing board unrepresented, which we call 'pro se.'" said Edie Brous.

"That's not a good thing to do. You wouldn't take out your own appendix and you probably shouldn't represent yourself in a legal proceeding either. Your personal policy will have [licensing protection] as a benefit, and your employer's coverage often will not."

Lose your license and you lose your ability to practice. The policy offered through HPSO includes \$25,000 of License Protection for the defense of disciplinary charges. It also includes coverage for legal representation at a deposition, HIPAA fines and penalties, and other expenses that may not be covered by your employer's malpractice insurance.

Coverage that
puts your best
interests first.

Does having my own individual policy make me a target for a lawsuit?

What makes you a target is whether or not you may have been responsible for causing a patient's injury, not whether you have insurance. The plaintiff's attorney will not know whether or not you have insurance until after they file the lawsuit.



"Plaintiff's lawyers are not going to find out until the discovery phase," said Brous. "Just because a [healthcare] provider is uninsured, does not mean they are going to be dropped from the case."

▶ **I work for several different employers. Will that affect my coverage or rate?**

No, your policy is designed to provide coverage for you anywhere you work within the scope of your license. If you work multiple jobs, it is not necessary to record worksites on your policy and there is no additional premium. You are safeguarded 365 days a year, 24 hours a day within the states you are licensed.

▶ **I am not going to be working for a while. Should I keep my coverage?**

Whether you are retiring or on a leave of absence, if you still hold an active license you are held to a higher standard of care. If you plan on keeping your license, you are responsible for anyone to whom you give medical advice, so you should keep your insurance. A good solution is to take advantage of HPSO's Retirement/Leave of Absence Discount, which saves you 50% on the annual premium.

▶ **How do I know that Healthcare Providers Service Organization is a company I can trust?**

HPSO is a strong advocate for the healthcare community. We have long-standing relationships with 35 state and national professional healthcare associations, whose leaders keep us apprised of emerging risks in the healthcare industry, helping us to keep our program up-to-date with your needs.

- HPSO has a 25-year history of meeting the insurance needs of healthcare professionals
- More than one million individual healthcare professionals and 27,000 healthcare businesses put their trust in HPSO
- Our insurance coverage is underwritten by CNA, who has an A (Excellent) rating from A.M. Best
- HPSO is dedicated to mitigating risk and addressing exposures proactively. We invite our insureds to take advantage of our extensive risk management library

For additional information, contact:



800.982.9491 • www.hpso.com

¹"Common Questions About Medical Malpractice Insurance," NSO, www.nso.com, 2012.

²Carroll, Aaron, "Malpractice Defense Costs are Real," *The Incidental Economist*, April 16, 2012.

³"Who's at Risk for a Medical Malpractice Lawsuit?" Insureon, April 3, 2014.

⁴Between 2011-2015 healthcare providers (excluding physicians) reported 15,374,820 malpractice claims to the federal government versus 166,886 license complaints. National Practitioner Data Bank, Department of Health & Human Services, www.npdb.hrsa.gov, March 2017.

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