Insurance considerations for GP and Private Practices

In partnership with BMA

November 2015
Insurance for your Practice

Practice Insurance

It is compulsory for all Practices, who have employees, to have Employers Liability insurance. The most cost effective way of doing this is through a “Practice Insurance” package, covering the key areas below.

We see many practices who don’t review their sums insured regularly (contents, drugs, buildings, turnover etc.). This is well worth doing, to avoid underinsurance.

Although arranging insurance wouldn’t be top of your to do list, it’s worth having a visit from an account executive every 2 or 3 years, to help you review any potential gaps / underinsurance, any duplication in insurance you may have, and also risk management advice to help protect your practice.

Locum Insurance

The need for this cover will very much depend on the nature of partnership agreements / employment terms and the way in which Personal Income Protection Policies have been set up.

Be careful to ensure that if you are changing insurer, that there are no detrimental pre-existing medical condition exclusions.

Look for a provider that pays an agreed weekly benefit, so you know how much you will receive in the event of a claim, without the need to prove expenses.

Property Owners Insurance

If the Practice(s) are owned by exactly the same people / company as the buildings, then this can normally be added to the Practice Insurance.

If ownership of the buildings is in a different name(s) to the business ownership, then it is best to set up the buildings insurance under a separate policy.

This needn’t be more expensive than having it all under one policy, but will help to ensure that claims are paid to the correct owner and will also help to ensure other indemnities are applied (such as loss of rent cover if there is another tenant).

**What does it cover?**
- Public & Employers Liability
- Contents
- Buildings (if relevant)
- Business Interruption
- Legal Expenses

**What does it cover?**
- Provides income in the event that a doctor (or other staff if selected) is absent from work
- Provides a weekly benefit for up to a set number of weeks (the “Benefit Period”). Payments begin once absence has been longer than a set number of weeks (the “Deferment Period”)

**What does it cover?**
- Covers the buildings against physical damage
- Property owners liability
- Property owners legal expenses (often optional)
# Medical Malpractice Indemnity

## Medical Malpractice (individual)

We recommend that individuals arrange indemnity through one of the defence organisations: MDU, MPS, MDDUS.

As well as expertise, the indemnity provided by the defence organisations is based on an “Occurrence Basis” during the membership period, so if a doctor retires, becomes ill or moves abroad, they would still be indemnified for past events.

We do not generally recommend looking beyond the defence organisations, although if a particular doctor cannot be indemnified by them (due to claims experience for example) then Lloyd & Whyte has access to a select panel of insurers and should be able to help arrange cover.

## Medical Malpractice (employed nurses)

Regardless of the setup of a practice, it is a common misconception that nurses would be covered under the doctors indemnity arrangements, as a matter of course.

Similarly, employed nurses are not covered by the Royal College of Nursing indemnity scheme.

We recommend that in the first instance, the defence organisations are contacted to arrange indemnity for your nurses. It is probably best to start with the defence organisation that indemnifies the majority of your doctors, in order to get the best terms.

## Medical Malpractice/Professional Indemnity (entity)

Although most claims would be brought against an individual doctor, the move towards practices incorporating may bring with it a growing trend for accusations to also be brought against Limited companies.

We have seen this in other healthcare sectors, such as vets, dentists and optometrists, especially where larger companies develop well known brands.

It is really important to note that it remains essential for you to ensure each doctor still has their own individual indemnity in place.

You can arrange cover through one of the defence organisations or through a broker, such as Lloyd & Whyte.

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<td>Cover where there are accusations of negligence against the “entity”, aside from any claim against an individual. This cover is also referred to as “corporate cover”, “vicarious liability” and “contingent liability”</td>
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Additional Protection

Motor (business use)

It is unlikely that you will have a fleet of vehicles requiring insurance. However, it is best practice to ensure that anyone working for you, who may use a vehicle for business purposes has informed their motor insurer, and has extended it to cover “business use”.

What does it cover?

- Covers vehicles being used for business purposes (for example whilst travelling between practices, on call, or conducting home visits)

Directors & Officers Insurance

In our experience, healthcare businesses rarely consider having this cover, although it is relevant.

As the business becomes larger and more complex, those in positions to make decisions become more likely to face allegations personally.

What does it cover?

- Covers directors and key personnel against allegations of “wrongful acts” (other than medical malpractice which is insured separately). For example; breach of trust, breach of duty, neglect, error or misleading statements
- Covers the legal costs associated with investigations by regulators such as the Health and Safety Executive

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