

Medical Professional Liability Insurance 101

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Insurance Requirements vary by State

- WI has strong Tort Reform and by law requires all physicians and CRNA's who are licensed and practice in the State to incur insurance limits of \$1M per medical incident and \$3M aggregate per policy year.
- IL on the other hand has no requirement for physicians to carry insurance, no excess liability fund and has no tort reform.
- Understand what the requirements are for the State you are practicing in.

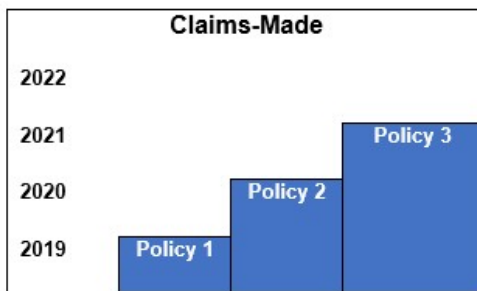


Tort Reform Basics

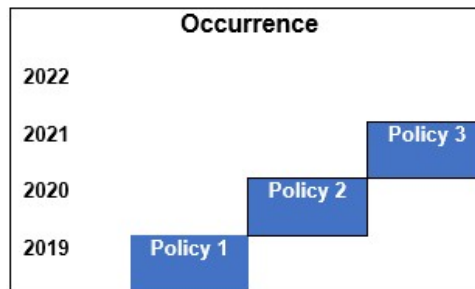
- WHAT is a TORT?
 - A tort, is a **civil wrong** that causes a claimant to suffer loss or harm, resulting in legal liability for the person who commits the tortious act.
- Thirty-three states have imposed caps on damages sustained in medical malpractice lawsuits. The caps range from \$250,000 per incident to as much as \$2.25 million.
- In Wisconsin, non-economic damages are capped at \$750,000.
- States without Tort reform historically have a higher rate of litigation and higher awards imposed.



Types of Policies



Claims made policies are cheaper on the front end but require a tail policy to be purchased when you cancel the policy.



Occurrence based policies are more expensive on the front end but do not require a tail to assure coverage for unreported incidents.



Excess Coverage

- Sits on top of a primary policy to provide additional coverage for settlements, awards and defense expenses.
- 8 States provide some sort of Patient Compensation Fund (PCF) for medical professional liability
- The Wisconsin Injured Patient's & Families Compensation Fund is the only PCF that provides "unlimited" excess coverage.



Wisconsin's Injured Patients and Families Compensation Fund (IPFCF)

- In 1975, Wis. Statute Chapter 655 established the IPFCF to provide excess medical professional liability insurance coverage above primary insurance requirements for Wisconsin Physicians and CRNAs
- The current primary coverage requirements are \$1M per medical incident and \$3M annual aggregate.
- In January 2023, the IPFCF implemented a new policy and administration system that allows participants to review status and pay online.
- Your employer may handle the primary insurance and IPFCF fees, however it is the responsibility of every resident and physician to know their status.
- <https://oci.wi.gov/Pages/Funds/IPFCFAccessFundSystem.aspx>



Understanding Your Professional Liability Insurance

When you leave Residency, it is very important to understand the difference between claims made and occurrence coverage and what your potential employer offers.

Claims made policies require tail: understand what your contract says about tail coverage and if you are responsible.

For example, if your employer has a claims made policy and requires you to pay for the tail upon leaving, then it would be beneficial to check in with your employer's risk manager, insurance agent or company to determine the cost.



Keep a Personal File

If you are employed and decide to leave, any new employer will ask for this information

Recommendation:

- ✓ Maintain a personal file with your Medical Professional insurance history
- ✓ Maintain any claims activity in this file
- ✓ This will allow for much smoother credentialing and on-boarding process

Start this file at the beginning of your career and maintain your own copy.



Professional Liability Insurance

This is an example of what a COI or Certificate of Liability looks like.

Each COI has your policy number, policy limits and insurance carrier information.

Generally Medical staffing offices can provide you copies of your insurance information.

ACORD CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT REPRESENT AN OR MODIFIED AMENDMENT TO THE POLICY. IT IS NOT TO BE USED TO ALTER THE COVERAGE PROVIDED BY THE POLICY. BELOW, THIS CERTIFICATE OF LIABILITY DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE(S) OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(s) must have ADDITIONAL INSURED provisions or be endorsed if SUBROGATION is WAIVED, subject to the terms and conditions of the policy. Certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

INSURER: Wisconsin Medical Society Insurance Services, Inc.
PO Box 1109
WISCONSIN WI 53201
INSURANCE APPOINTING OFFICER: [Blank]
NAME: [Blank]

COVERAGES: [Table with columns for Coverage, Certificate Number, and Revision Number]

CERTIFICATE HOLDER: [Blank]
CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

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F.A.Q.

- If my employer provides my medical professional liability insurance, should I also buy my own policy?
- Do I have tail?
- Can they take my personal possessions for a liability verdict?



Additional Healthcare Business Practice Coverages

Workers Compensation

Business Owner
(Property and Liability coverage)

Cyber Security Liability



Workers Compensation

Workers Compensation is a form of insurance that provides wage replacement and medical benefits to employees injured in the course of employment.

Every state has its own workers' compensation laws, but in most states, employers must have some form of workers' compensation insurance to cover injured employees.



Business Owner Policies

Provides coverage for:

Property
Business Personal Property (Contents)
Business Interruption (Loss of Income)
General Liability (Slip & Fall)
Personal and Advertising Injury
Hired and Non-Owned Auto Liability



Cyber Liability

Cyber security insurance protects businesses against computer-related crimes and losses.

Coverages include:

Cyber Terrorism
Cyber Extortion
Costs to Recover and/or Replace Data that is lost
Payment Card Assessments/Fines
Business Interruption Expenses
Lost Revenue due to Reputational Harm
Notification Expenses and Credit Monitoring



If you have any more questions,
please contact us:

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Website:

<https://wimedassure.org/physicians-medical-students/your-security-toolbox/medical-professional-liability/>

