

AAPM PROFESSIONAL LIABILITY INSURANCE PROGRAM

Is It Really Necessary?

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> Disclosure

- Speaker is NOT a licensed insurance professional
- Speaker is NOT promoting or selling any insurance product or service
- Speaker is a clinical medical physicist



> Disclosure

- Speaker is a volunteer member of AAPM's Insurance Subcommittee, which helps in managing a number of endorsed insurance products, including the Professional Liability Insurance (PLI) through Mercer Consumer.
- The AAPM receives royalties from the sale of endorsed insurance products.



> Objectives

- Professional Liability Insurance – Concepts and Definitions
- PLI Program Coverage –
Consulting vs Non-Consulting Physicist
- Forms of Coverage –
Claims-made Form and Occurrence form
- Claims/Expense Data Review for AAPM PLI



> INSURANCE

- Coverage by contract, where one party undertakes to indemnify another, against loss by a specified contingency or peril



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> INSURANCE

A tool used to mitigate a specific risk

Risk	Tool
<ul style="list-style-type: none"> • Sick or Injured • Disability • Damaged Vehicle 	<ul style="list-style-type: none"> • Health Insurance • Disability Insurance • Automobile Insurance
<ul style="list-style-type: none"> • Error or Omission in Professional Practice 	<ul style="list-style-type: none"> • Professional Liability Insurance

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> Liability Insurance

- Indemnifies the insured against legal liability to a third party arising out of:
 - Bodily Injury,
 - Personal Injury, or
 - Property Damage to the third party.
- Indemnify = secure against loss
- “Third Party” insurance

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> Anatomy of an Insurance Policy

- | | |
|--|---|
| <ul style="list-style-type: none"> • Insured • Premium • Deductible • Territory | <ul style="list-style-type: none"> • Coverage • Liability Limit • Time Period • Claim vs Incident |
| <ul style="list-style-type: none"> • Insurance Contract <ul style="list-style-type: none"> – Policy – Endorsements | <ul style="list-style-type: none"> – Declaration – Exclusions |

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➤ AAPM's PLI Program

- Insured
 - Available to AAPM members only (student, associate and corresponding members not eligible).
- Coverage
 - Covered Incident
 - Coverage Limit
 - Policy Period



➤ AAPM's PLI Program

- Insured
 - Individual
 - Employed Non-consulting
 - Self Employed consulting
 - Full time
 - Part time
 - Business
 - Sole Proprietorship – Owner
 - Partnership – Active Partners
 - Other – Active Owners and Officers
 - Can Include
 - Physicist Employees
 - Other professional employees



➤ AAPM's PLI Program

- Coverage: claims for an Incident that resulted in:
 - Bodily Injury
 - Personal Injury
 - Property Damage
- Incident: any act or omission in the rendering of (or failure to render) services by the insured in the conduct of the professional occupation



➤ AAPM's PLI Program

- Coverage Limits: \$X / \$Y
 - \$X = limit for each Incident.
 - \$Y = total aggregate limit for all damages.
 - Property Damage endorsement limit.
- Policy Period:
 - Claims-made form.



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Claims-Made Form

- Covers liability claims that are made during the policy period for covered incidents that occur on or after the policy effective date (prior acts date – for tail coverage) AND BEFORE THE END OF THE POLICY PERIOD.
- Highly sensitive to both:
 - When the incident occurs
 - When the claim is made

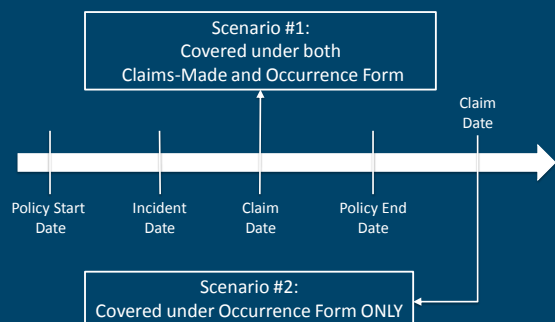


Occurrence Form

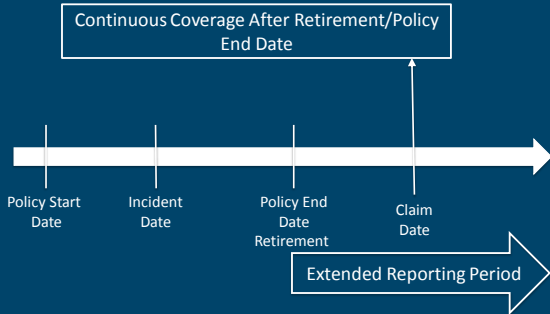
- Covers liability claims that are made for covered incidents that occur during the policy period - REGARDLESS OF WHEN THE CLAIM IS MADE.
- Highly sensitive to:
 - When the incident occurs
- Completely insensitive to:
 - When the claim is made



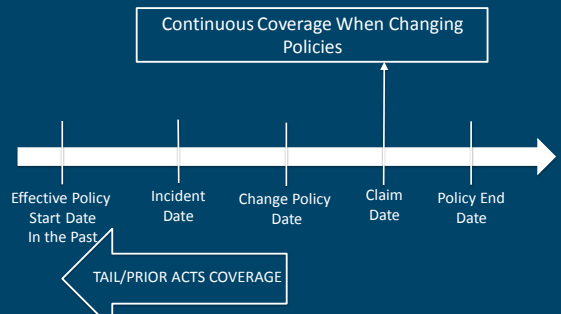
EXAMPLE



> Claims-Made: Extended Reporting



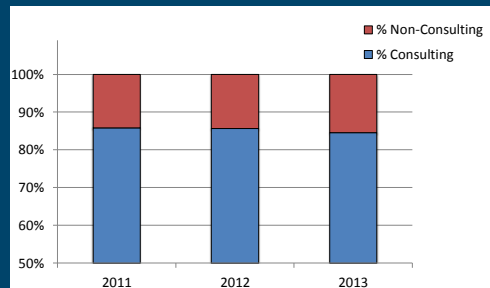
> Claims-Made: Tail/Prior Acts



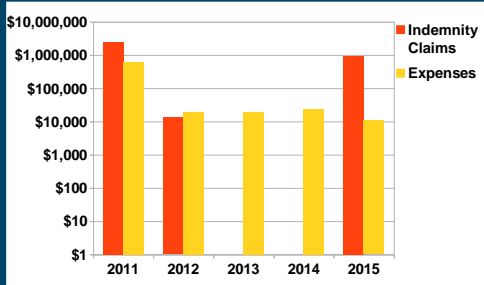
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> AAPM's PLI Program Employment Status

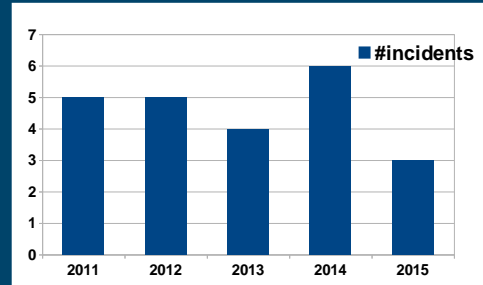


➤ AAPM's PLI Program Claims and Expense Data



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➤ AAPM's PLI Program Claims and Expense Data



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➤ Underwriter Perspective

- PLI Losses tend to be large and infrequent.
- Claims are often filed and settled many years after the incident on which the claim is based.
- Challenge – confirmation of proper policy underwriting and pricing is a long multi-year process.

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➤ For Further Information

- Mercer Consumer:
 - www.personal-plans.com/aapm/
 - 800-765-9408
- Presentations by David Jordan – AAPM Virtual Library.
 - Session: Professional Liability and Risk Management in Medical Physics Practice.
 - 2013 AAPM Spring Clinical meeting.
 - 2013 AAPM Annual Meeting.
- Presentations by Anas Orfali and Graham Fuller – AAPM Virtual Library.
 - Session: AAPM Professional Liability Insurance Update
 - 2015 AAPM Annual Meeting.
- AAPM Newsletter Article – July/August 2015
 - Professional vs. Commercial General Liability Insurance.

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➤ Acknowledgement

- David Jordan
- Marcia Velting



➤ Risk vs Reward



Questions?

