


**AAPM PROFESSIONAL LIABILITY INSURANCE PROGRAM - UPDATE**

Anas Orfali, MSc, DABR, DABMP, MCCPM  
AAPM 57<sup>th</sup> Annual Meeting, Anaheim, CA  
July 13<sup>th</sup>, 2015



---

---

---

---

---


---

---

---

**>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

- Explain AAPM's Role in operating the Professional Liability Insurance Program
- Review of the PLI program offered to AAPM members
- Identify the difference between Occurrence form and Claims-made form



---

---

---

---

---

---

---

---

## > AAPM's Role in PLI program-history

- 1979 – 1981 active solicitation of PLI proposals
- 1981 – 1985 PLI program with St. Paul Insurance Co.
- 1986 – 1993 multiple efforts on many fronts to re-establish a PLI program.



---

---

---

---

---

---

---

---

## > AAPM's Role in PLI program-history

- 1993 – present PLI program restarted with
  - A. H. Wohler as broker/plan administrator
  - Tailored the policy language for the medical physics profession
  - 1997 A. H. Wohler joins Marsh and McLennan as subsidiary
  - 2011 Insurance Carrier change: Chicago Insurance Company to Liberty Insurance
  - 2014 Name change: Marsh US Consumer to Mercer Consumer



---

---

---

---

---

---

---

---

## >AAPM's Role in PLI program- currently

- Insurance Subcommittee
  - Committee Chair
  - Committee Vice Chair
  - 7 members, 1 consultant
- Professional Council
  - Professional Services Committee
  - Insurance Subcommittee




---

---

---

---

---

---

---

---

## >Objectives

- Explain AAPM's Role in operating the Professional Liability Insurance Program
- Review of the PLI program offered to AAPM members
- Identify the difference between Occurrence form and Claims-made form




---

---

---

---

---

---

---

---

## >INSURANCE

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




---

---

---

---

---

---

---

---

## > INSURANCE

A tool used to mitigate a specific risk

### Risk

### Tool

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Sick or Injured</li> <li>• Damaged Vehicle</li> <li>• Error or Omission in Professional Practice</li> </ul> | <ul style="list-style-type: none"> <li>• Health Insurance</li> <li>• Automobile Insurance</li> <li>• Professional Liability Insurance</li> </ul> |
| <ul style="list-style-type: none"> <li>• Injured in a Car accident</li> </ul>  | <ul style="list-style-type: none"> <li>• Health, Auto, Both?</li> </ul>  |




---

---

---

---

---

---

---

---

## > Liability Insurance

- Examples:
  - Automobile Insurance
  - Commercial General Liability Insurance
  - Employers' Liability Insurance
  - etc.
- Professional Liability Insurance




---

---

---

---

---

---

---

---

## > 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




---

---

---

---

---

---

---

---

## > 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.



---

---

---

---

---

---

---

---

## >Objectives

- Explain AAPM's Role in operating the Professional Liability Insurance Program
- Review of the PLI program offered to AAPM members
- Identify the difference between Occurrence form and Claims-made form



---

---

---

---

---

---

---

---

## >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



---

---

---

---

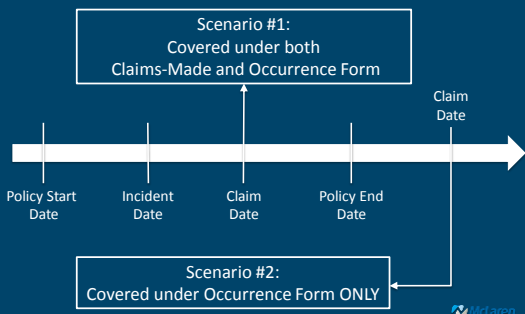
---

---

---

---

## > EXAMPLE



---

---

---

---

---

---

---

---

## > 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.



---

---

---

---

---

---

---

---

## > For Further Information

- [www.aapm.org](http://www.aapm.org) → members → benefits → liability insurance → Mercer's website.
- 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.
- AAPM Newsletter Article – July/August 2015
  - Professional vs. Commercial General Liability Insurance.



---

---

---

---

---

---

---

---

## > Acknowledgement

- David Jordan
- William Roventine
- Marcia Velting



---

---

---

---

---

---

---

---

Questions?



---

---

---

---

---

---

---

---