**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

- 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.
• 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

1979 – 1981 active solicitation of PLI proposals


1986 – 1993 multiple efforts on many fronts to re-establish a PLI program.

• 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

<table>
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<td>Health Insurance</td>
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<td>Damaged Vehicle</td>
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<td>Error or Omission in Professional Practice</td>
<td>Professional Liability Insurance</td>
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<tr>
<td>Injured in a Car accident</td>
<td>Health, Auto, Both?</td>
</tr>
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Liability Insurance

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

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**EXAMPLE**

- **Scenario #1:** Covered under both Claims-Made and Occurrence Form

- **Scenario #2:** Covered under Occurrence Form ONLY

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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.
For Further Information

- 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