Coverys* is an innovative medical professional liability insurance provider dedicated to helping its policyholders and clients anticipate, identify, and manage risk to reduce errors, eliminate inefficiency and improve outcomes. As one of the largest medical professional liability insurance providers in the country, Coverys is responsible for insuring physicians, dentists, and advanced practice providers, as well as hospitals, health centers and clinics from coast to coast. Coverys has been included in the Ward’s 50 top performing property & casualty companies each year since 2010.

Coverys emphasizes patient safety and provider education, and is an acknowledged leader in providing supportive risk management services and effective claim defense to the healthcare community. For more information, visit www.coverys.com.

*COVERYS COMPANIES INCLUDE:

Medical Professional Mutual Insurance Company | A.M. Best rating of A
ProSelect Insurance Company | A.M. Best rating of A
MHA Insurance Company | A.M. Best rating of A-
Washington Casualty Company | A.M. Best rating of A-
Preferred Professional Insurance Company | A.M. Best rating of A-
Coverys RRG, Inc. | A.M. Best rating of A | Sponsored by Medical Professional Mutual Insurance Company
You've invested a great deal of time and effort in your profession. Protecting your career and your reputation with medical professional liability insurance, commonly known as malpractice insurance, is vital. Choosing the company and the coverage that are right for you deserves careful thought and an understanding of your needs and options.

This guide provides important information about medical professional liability insurance — whether you are just beginning your medical career, launching a practice, or simply want to learn more.

**WHAT IS IT AND WHY DO I NEED IT?**

Sometimes adverse outcomes happen despite your best efforts — and a medical malpractice lawsuit can be a devastating experience. Medical professional liability insurance was developed to protect you and your assets in the event of a claim or suit.

Medical professional liability insurance is designed to cover you for professional services you render, or, in some cases, fail to render. You'll want to make sure that the company and the coverage you choose will fit your needs and provide you with the best possible protection. Your insurance policy should define what professional services it will cover.

**THERE ARE TWO TYPES OF LIABILITY COVERAGE:**

**DIRECT LIABILITY**

Direct Liability covers you for the services you personally provide.

**VICARIOUS LIABILITY**

Vicarious Liability provides coverage for people such as employees, students, volunteers, etc., for whom you may be legally liable if you are providing supervision and direction.

> OTHER COVERAGES: Depending on your particular exposure, you may need additional coverages, including but not limited to general liability for premises or damage to property of others, employer liability, or Coverys Protection Plus which includes cyber/regulatory liability coverage. Talk to your agent about your needs.

> STATUTORY REQUIREMENTS: Statutory requirements vary by state and exposure. Your agent can assist you in this regard.
**COVERAGE FORMS**

The three coverage forms provide basically the same coverage; however, the claim “trigger,” or the determination of how a claim attaches to a policy, is different.

**CLAIMS-MADE**

Coverage is triggered by the date the claim is first reported to the company. The claim is attached to the policy in effect on the date the claim is reported and will be governed by the policy terms, including limits, in effect at that time. Claims-made coverage will have a retroactive date or start of the coverage period. It will also have a policy expiration date or end point of coverage. Unless renewed or replaced by coverage with a different carrier, you will not have insurance protection for claims made as the result of care rendered from the retroactive date to the expiration date of your last insurance policy. To prevent that from occurring, claims-made coverage typically will offer you the ability to purchase or, if you meet certain eligibility criteria, have an Extended Reporting Period endorsement (known as “tail” coverage) attached to your expiring policy. This will keep the policy terms in place for protection for either an indefinite or specific period of time after the insurance policy expired.

**MODIFIED CLAIMS-MADE**

Offers prepaid tail coverage on a claims-made basis. Coverage is triggered in the same manner as in claims-made coverage, but this coverage will provide you with automatic tail coverage after the insurance policy has expired. Please note that the tail coverage provided is for an indefinite reporting period at no additional premium.

**OCCURRENCE**

In occurrence coverage, the policy will respond to a claim if the covered professional services at issue were rendered during the policy period, irrespective of when the claim is reported. As such, occurrence coverage does not require any tail or extended reporting period endorsement after the end of the policy period.

**UNDERSTANDING YOUR INSURANCE POLICY**

Reading and understanding your insurance policy is essential. It details what is covered, as well as what is not. Knowing exactly who and what is covered will ensure you are getting the protection you need. If you have questions regarding your policy, you should always contact your insurance agent or carrier. Familiarize yourself with the following sections in your policy:

- Insuring Language
- Coverage Territory
- Conditions
- Limits of Coverage
- Exclusions
- Definitions
- Consent to Settle
- State-specific or other endorsements that may modify the coverage outlined in the main policy
**TRADITIONAL INSURANCE COMPANY:**

Traditional insurance companies are licensed and regulated by state governmental agencies that routinely review the financial strength and business practices of the insurance companies domiciled in their state. These companies pay state premium taxes and assessments, and as such allow access for their insureds in state guarantee funds in the event the companies no longer have the financial strength to meet their obligations. Insurance coverage offered by a traditional insurance company is purchased through an appointed insurance agent or directly from an admitted insurance company in the commercial market. Admitted insurers are regulated by every state in which they are licensed.

**WHERE DO I OBTAIN COVERAGE?**

**INSURANCE COMPANY** — If you are an independent practitioner, you will be responsible for securing your medical professional liability insurance coverage. Coverage offered through traditional insurance carriers is what the vast majority of independent practitioners use for their liability protection.

**OR**

**EMPLOYER** — If you are an employed healthcare practitioner, your employer may provide coverage that will apply to services rendered within the scope of your employment. Depending on a number of factors including size of your employer, your coverage will be provided by your employer through traditional or non-traditional insurance coverage.

**NON-TRADITIONAL INSURANCE ENTITIES:**

Non-traditional insurance entities have the advantage of flexibility in terms of financial requirements and coverage options because they are not monitored by governmental agencies to the same degree as traditional insurers. They don’t necessarily pay the same taxes and assessments as traditional entities, and importantly, their policyholders do not have access to state guarantee funds in the event they no longer can fulfill their financial obligations under the terms of coverage. Some examples are:

> **CAPTIVE INSURANCE COMPANY:** A captive insurer can be formed solely for a specific entity — such as a hospital system that includes multiple hospitals and physician practices — or a group of unrelated entities, and may handle claims and services through a third-party administrator.

> **RISK RETENTION GROUP:** A risk retention group (“RRG”) is formed under the federal Liability Risk Retention Act of 1986, and is similar to a captive insurance company in that it is formed for a specific entity or group of homogeneous risks. While largely not subject to state requirements other than its state of domicile, because an RRG is not an admitted carrier, its member policyholders are not eligible for any state guarantee funds.

> **RISK PURCHASING GROUP:** A risk purchasing group (“RPG”), formed under the federal Liability Risk Retention Act of 1986, allows a group of businesses with similar risks to join together to purchase insurance as a group. The group may purchase traditional or non-traditional coverage.

> **SELF-INSURANCE:** An entity may establish and administer its own insurance fund without forming a specific company to do so. This is known as self-insurance.

> **SURPLUS LINES INSURANCE COMPANY:** A surplus lines insurance company, or a non-admitted insurer, is typically not licensed in any state except the state in which it is domiciled. Coverage is procured through brokers and covers hard-to-place or unique risks. Surplus lines insurers are regulated by their state of domicile and are free from form and rate filing requirements imposed on admitted insurers.
I AM BUYING MY OWN LIABILITY COVERAGE. WHAT DO I NEED TO KNOW?

Some things to consider when selecting an insurance provider:

- What type of insurance carrier meets your needs?
- What is the carrier’s A.M. Best rating?
- Is the insurance carrier financially stable?
- What coverage forms are available?
- What ancillary coverages, for example, cyber liability, are included within my policy?
- Does the carrier need to obtain my consent prior to settling a claim against me?
- I own a medical professional corporation; how can I provide coverage for this entity?
- Are my employees covered as part of my policy?
- What is the coverage territory?
- What are appropriate limits of liability?

MY EMPLOYER IS COVERING ME. WHAT DO I NEED TO KNOW?

As an employee, it is important that you find out what insurance coverage is provided by your employer — the scope and type of coverage.

- What type of insurance carrier is providing the coverage?
- What type of coverage form applies to you?
- What are my limits of liability?
- Are my limits separate or shared with everyone covered by the employer’s policy?
- Does my employer need to obtain my consent prior to settling a claim against me?
- What happens to my coverage if I leave employment?
- Does the coverage apply to medical services I may provide outside of the scope of my employment?
Choose an insurance carrier that offers comprehensive products and services designed to simplify the demands of healthcare delivery in a busy practice.

**RISK MANAGEMENT AND PATIENT SAFETY EDUCATION**

Healthcare providers who place an emphasis on proactive risk management strategies, quality outcomes and patient safety will improve patient care as well as benefit financially in today’s healthcare environment. It is important to choose an insurance carrier that is committed to providing you with solutions focused on increasing patient safety, improving patient care and decreasing malpractice claims.

**What to look for when choosing a carrier:**

**CONSULTATION:** Personalized consultative services will help you implement best practices and identify your unique risk challenges and opportunities. Services to look for include:

> A designated consultant
> Risk management service plan
> Risk assessments
> On-site education
> Action plan support

**RESOURCES:** Be sure to look for a carrier that provides comprehensive products and services designed to simplify the demands in healthcare such as:

> Helpline
> News updates
> Risk management newsletters
> Risk management manuals
> White papers

**EDUCATION:** When assessing the educational program offerings, be sure to look for options to fit different learning styles and time constraints. Examples of educational offerings may include:

> Webinars-on-demand
> Live seminars
> Education programs
> Educational materials and manuals
> Online learning with CME credits