

Healthcare Professional Liability Insurance

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Risk Management



THE RISK AUTHORITY

Tomorrow's Risk Management Today

Transition to Practice Workshop
September 7, 2016

Introductions



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Agenda



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Your current coverage

- I. SUMIT details
- II. Who is covered
- III. What activities are covered
- IV. What activities are NOT covered
- V. Supplemental services
- VI. When you leave

What to look for in your next coverage

- I. Individual vs. group policy
- II. Occurrence vs. claims made policy
- III. Supplemental coverages/ features



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Your Current Coverage

I. SUMIT Details



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- ❑ **SUMIT (Stanford University Medical Indemnity and Trust) Insurance Company Ltd is a subsidiary of Stanford Health Care and Lucile Packard Children’s Hospital.**
- ❑ **SUMIT is a captive insurance company domiciled in Bermuda.**
- ❑ **SUMIT provides medical malpractice and general liability insurance to Stanford Healthcare (Stanford Hospital & Clinics), Lucile Packard Children’s Hospital & Clinics, and The School of Medicine, their employees, Faculty physicians, adjunct clinical faculty, postgraduate fellows, and residents.**
- ❑ **Management of the company, including claims and litigation, is overseen by The Risk Authority.**

I. SUMIT Details



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- ❑ **SUMIT offers claims made professional liability insurance. Claims made coverage means that the coverage tracks to the date that the claim is actually made by the patient rather than the date of treatment. The program defines a claim as when the physician receives a written demand, notice of a lawsuit, or involvement in an incident which may give rise to a suit or demand for payment.**
- ❑ **Professional Liability covers services performed by you in the treatment / care of any patient and provides financial indemnification to the patient as well as legal expenses incurred by you.**
- ❑ **The amount of coverage available is as required by SHC and LPCH Medical Staff Bylaws and Rules and Regulations.**

II. Who Is Covered



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- ❑ In order to be covered by the SUMIT insurance program, a faculty physician must:
 - (1) be a member of the medical staff of either SHC or LPCH
 - (2) be employed by the School of Medicine
 - (3) have a faculty appointment at the School of Medicine

- ❑ The following categories of physicians are covered by the SUMIT program: faculty physicians, adjunct clinical faculty (only when performing Stanford assigned duties), postdoctoral fellows, and residents for activities performed within their designated scope of duties.

II. Who Is Covered



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- No coverage is extended to medical staff unless at the time of acts or omissions alleged they hold a medical staff appointment through SHC/ LPCH or SOM.**
- No coverage is extended to residents unless at the time of acts or omissions alleged they are employed by SHC/ LPCH.**
- SUMIT does not cover faculty, residents, medical staff or other staff, Employees for acts or omissions outside the scope of their duties Including those after termination of their appointment or employment.**

III. What Activities Are Covered



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- SUMIT generally covers only services provided on behalf of SHC or LPCH and where payment is traceable through the hospital billing and accounting systems. This includes:**
 - (1) Supervisory, proctoring or instructional services.**
 - (2) Acting as student instructors when treating patients which are not theirs.**

- For residents: only while working under the direction of SHC/ LPCH physicians or working as part of an approved residency program.**

- If the physician will be providing patient care at a non-SHC or LPCH facility pursuant to his/her employment, coverage may be provided by that institution instead of SUMIT.**

IV. What Activities Are Not Covered



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- Moonlighting inside or outside of SHC or LPCH is not covered.**
- Medical school research and/or clinical activities unrelated to SHC or LPCH are not covered.**

If you have a question about whether an activity is covered, please contact The Risk Authority for a coverage decision prior to engaging in the activity. The Risk Authority will require written approval of the Senior Associate Dean for Academic Affairs and the relevant department chair to consider professional liability coverage requests.

If coverage is not available through SUMIT, it is advisable that you ask for coverage through the sponsoring institution or event organizer.

V. Supplemental Services



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- The SUMIT insurance program is issued on behalf of the hospitals, faculty practice groups, and the School of Medicine. While policies are not issued to individual physicians, certificates of insurance are issued as evidence of coverage, upon request.**
- Claims History Letters can be issued to evidence an individual's loss history while at SHC/LPCH/ SOM.**
- TRA's Clinical Risk Management unit remains your contact to report incidents as well as information on PEARL and EMMI.**

VI. When You Leave



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SUMIT insured physicians who leave SHC/LPCH/ SOM will continue to be covered after their departure for claims made within the course and scope of their employment while at SHC/LPCH/SOM and covered by the SUMIT insurance program, subject to the terms, conditions, and exclusions of the program. Any claims arising from actions performed within the physician's scope of duties during the period of employment from September 1, 2005 to the date of exit are covered under SUMIT's tail provisions which are paid for by the physician's sponsoring organization.

No coverage is provided for any claim arising from services rendered after an individual leaves the SUMC organization.



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What to Look for in Your Next Coverage

I. Individual vs. group policy



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- Regardless of policy type you should have a dedicated annual limit of at least \$1M per occurrence and \$3M aggregate (limits of \$2M/ \$4M are available from some carriers).**
- Payment for legal expenses should not reduce the policy limits.**
- Group policy coverage *may* be cheaper due to physician group discounts, superior loss history discounts; however, these factors are not directly under your control as the group is priced/ underwritten.**
- A physician “consent to settle” provision should apply.**
- Reporting incidents to the carriers should not affect your coverage/ premiums.**

II. Occurrence vs. claims made policy



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- Occurrence policies have the advantage of not requiring tail coverage upon departure, but are not commonly offered.**
- For Claims Made policies, try to have the Physician Service Agreement address tail coverage provisions (who is responsible for paying tail premium).**

III. Supplemental coverages/ features



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The prospective policy and/or separate coverage should be obtained for:

- 1) General Liability (including Personal & Advertising Injury)**
- 2) Privacy/ Data Breach Liability (aka Cyber Liability)**
- 3) PEARL/ EMMI equivalents**

Q & A



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The End



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*We're here
to help!*