

INSURANCE

Don't Roll the Dice with Your Professional Liability Insurance Policy

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An insurance policy is a contract between you and the insurance company. You should read that document when you receive it. I know: It's often a bunch of "legalese." But when it comes to your professional liability insurance, even a quick perusal can avoid problems down the road. What good is buying a policy if the insurer can deny coverage the first time you submit a claim?

As unlikely as that is, it behooves you to know the basic elements of the insurance policy so you know what to look for.

The acronym DICE stands for **D**eclarations, **I**nsuring Agreement, **C**onditions, and **E**xclusions.

The declarations are usually on the first page of the policy. They contain the variable information that is unique to you, like your name and address, the effective and retroactive dates of coverage, the limits of liability, the policy number, the premium, and other information. It's important to verify that you are getting the coverage you need. If you applied for a \$1 million limit of liability and the declarations show \$100,000, now is the time

to clear that up, not when you get your first claim. Your name and address are probably correct, but keep in mind that if you move, it is your obligation to notify the company. If the company sends a cancellation notice or other communication to you that is returned as undeliverable, it will still be effective even though you never received it.

The insuring agreement tells you specifically what is covered — for example, "the company will pay on your behalf all sums you are legally required to pay as damages because of any claim made against you in the performance of or failure to perform professional services as a physician assistant." It will also specify the company's duty to defend you against the allegations of the claim. It should make sense to you that this statement encompasses what you need. If you are, say, an athletic trainer, in addition to being a physician assistant, you are not covered for this because the insuring agreement specifically references a physician assistant, not an athletic trainer. If you are performing these duties in one of your jobs, you should ask the insurer to add this profession on to your coverage. Do not

assume that it is automatic.

The Conditions section details what is required of you: for example, your obligations to notify the company about address changes and to report claims (or incidents likely to result in claims) in a timely manner. This is no minor issue. Let's say you have a bad outcome with a patient and he says, "You'll be hearing from my attorney." Don't wait for the call. Assume that he means it, and report it to your insurer. Depending on the circumstances, the company can deny the claim if you fail to report it. Likewise, if you report it and 12 months later receive the summons and complaint and delay in reporting that, you could give the insurer grounds for denial. In short, if in doubt, report it immediately. Your communications with the company are privileged and cannot be used against you in litigation. There is no downside to reporting it now.

The exclusions tell you what is not covered, even though it may otherwise come within the insuring agreement — for example, injury you inflict in an auto accident, even if you were on your way to see a patient in the performance of your professional services, is excluded. That is because

auto accidents are covered by automobile liability insurance policies, not professional liability policies. Basically, exclusions exist because certain things belong on a different type of policy, require the payment of an additional premium to be covered, or are considered too risky or uninsurable. Uninsurable risks include working while under the influence of non-prescribed drugs or alcohol, intentional injury to others, and sexual assault. Some insurers believe that bariatric surgery is high-risk. If you come across an exclusion in your policy for performing or assisting in bariatric surgical procedures and part of your job is assisting in liposuctions, then you need to ask the insurer if the exclusion can be lifted — or look for another insurer.

We are all so used to just signing on the dotted line that it is common not to read the fine print. But when it comes to your professional liability policy, don't roll the DICE.

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