

Professional Liability Insurance Resources

Since 2005, Insurance Companies have limited our policies to claims made at 250/750 limits and premiums have soared. As a result there have been several changes to malpractice and the availability to Advanced Practice Nurses. Below are several of the common questions about malpractice insurance and the resources or answers currently affecting your practice.

Question: What is the malpractice amount required by the State of Florida to Carry?

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Question: What companies provide malpractice in this state?

Answer: The Marsh Group (limiting access to some NP's we hear) Nursing Service Organization Cotterel, Mitchell & Fifer Sophia Palmer Risk Retention Group (Newly developed option)

Question: What is the difference between occurrence coverage and claims-made coverage?

Answer: An occurrence policy provides coverage for a claim that occurs during the policy period, regardless of when the claim is reported.

For example, let's assume you carry a malpractice policy from December 1, 1999 to December 1, 2000 and it is an occurrence policy. You never renew the policy. On August 16, 2001 you receive notice that you have been named in a malpractice lawsuit for something that happened on February 4, 2000. Because the incident occurred during your coverage period, your policy can provide protection for a covered claim, even though you received notice of the claim after your policy ended.

A claims-made policy provides coverage for an incident that occurs during an active policy period only if the claim is also filed during an active policy period.

Suppose you have a claims-made policy from December 1, 1999 to December 1, 2000 and do not renew that policy. On August 16, 2001 you receive notice that you have been named in a malpractice lawsuit for something that happened on February 4, 2000. You would not have coverage under your claims-made policy because your coverage was not active when the claim was made.

If you have a claims-made policy, you may need to give some additional thought before you decide to cancel or non-renew your policy. If you decide to end a claims-made policy, you can purchase "tail" coverage through that policy's carrier. Tail coverage will extend the time that a claim can be reported, but the incident will still need to occur while the policy was active.

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