

Title: MALPRACTICE INSURANCE – ACCEPTABLE COVERAGE

Document Owner: Teresa Onken	PI Team: N/A	Date Created: 09/01/2000
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Location: Saint Joseph Regional Medical Center (SJPMC)		Department: Centralized Credentials

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POLICY:

1. This policy specifies the minimum amount of malpractice liability insurance coverage acceptable for those physicians who do not qualify as health care providers according to the Indiana Medical Malpractice Act and/or do not participate in the Indiana Patient Compensation Fund.
2. The Medical Executive Committee has determined that for those physicians who do not participate in the Indiana Patient Compensation Fund, the minimum amount of malpractice liability insurance coverage acceptable is 1,000,000/ 3,000,000 along with verification of coverage in the State of Indiana.
3. Due to insurance company's grace periods, if copy of malpractice certificate for a physician has expired, the physician has 30 days to submit an updated copy.

Financial standards, against which the financial strength of the insurers of the independent medical staff can be compared, are critical to protect the assets of Trinity Health. Several physician insurers' ratings have declined rapidly in the last four years. Some of those went into receivership; others left the marketplace. Should an insurer of a member of the medical staff fail, uncovered losses would be borne by hospitals - as was the case with PIIE in the late 1990s. Knowing this, Trinity Health has implemented the following steps:

1. Members of the independent medical staff are required to be insured by a licensed insurance company rated by A.M. Best in the A- or better range.
 - A. Insurance and Risk Management Services will notify Regional Health Ministries (RHM) of insurance companies writing physicians who no longer meet the solvency requirement.
 - B. RHM's are responsible for notifying physicians that their insurer no longer qualifies and monitoring their migration to alternate markets that meet the financial solvency standard.
2. Subject to review and approval of the Trinity Health Vice President, Insurance and Risk Management Services, or her designee, and the Vice President of Finance, or her designee, appropriate evidence of the financial strength of insurance or other recognized forms of alternative risk financing may be approved to meet the insurer solvency requirements and limits required by RHM bylaws and Trinity Health policy.
 - A. Approval or disapproval will be provided with respect to alternative risk financing methodologies 14 days after all follow-up documentation is received.
 - B. If the insurer is not approved, the physician will be required to obtain new insurer at renewal.
3. Should solvency requirements not be enforced, the RHM will be responsible for a \$100,000 deductible on each and every claim that arises that includes a physician whose carrier cannot respond, provided Trinity Health provided timely notice to the RHM of the downgrade.

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References/Standards:

- Policy Origin Date: September 2000
- Review Date: December 2009, December 2012, December 2015, June 2017, December 2018
- Revised Date: June 2007, December 2013, June 2017
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- Reviewed/Recommended By: Medical Executive Committee
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