

Authority

This standard was approved by the Australian Health Workforce Ministerial Council in December 2011 pursuant to the *Health Practitioner Regulation National Law Act*, as in force in each state and territory (the National Law), with approval taking effect from 1 July 2012.

Summary

1. Registrants must not practise unless they have Professional Indemnity Insurance (PII) arrangements in place for their full scope of practice which comply with this standard.
2. Professional Indemnity Insurance must include:
 - 2.1 a minimum of \$5 million in cover for any single claim
 - 2.2 a minimum of one automatic reinstatement during each year of insurance cover
 - 2.3 run off cover
 - 2.4 includes product liability where the registrant uses, sells or dispenses therapeutic goods.
3. When applying for registration or renewing registration registrants must declare that they will not practise the profession unless they have PII arrangements in place that meet this standard.
4. Non compliance may be dealt with by the Board as a professional conduct matter under the National Law.

Scope of application

This standard applies to all registrants applying for initial registration or renewal of their registration. It does not apply to student registrants or practitioners with non-practising registration.

Requirements

1. Scope of Professional Indemnity Insurance Arrangements

Registrants must not practise in Australia unless they have PII arrangements in place for their full scope of practice regardless of whether they are practising full time, part time or in a volunteer position

2 Level of PII Cover

2.1 PII cover must include:

- a) a minimum of \$5 million in cover for any single claim
- b) a minimum of one automatic reinstatement during each year of insurance cover

c) run-off cover

d) product liability where the registrant uses, sells or dispenses therapeutic goods.

2.2 A practitioner must undertake a self-assessment of the appropriate level of insurance to consider whether cover in addition to the minimum is required. This assessment must consider:

- the practice setting and type of services and care being provided
- the patient or client group
- current employment status (Part time/Full time/teaching/research etc)
- any areas of practice where there is greater risk
- whether there is a need for retroactive cover
- the volume of patients or clients to whom treatment, advice, guidance or care is provided
- previous history of insurance claims and the type of claim made against the practitioner in the past, if any
- any advice from professional indemnity insurers or professional associations, including advice regarding the history and volume of professional liability claims experienced by other members of the profession
- any advice from an insurance broker.

3. Policy Owner

Individual registrants may be covered by either individual or group schemes for PII arrangements. Examples of group schemes include cover via the employer's insurance arrangement or cover through membership with a professional association. Registrants covered by a group scheme PII arrangement must satisfy themselves that the policy meets this standard, and if the group scheme cover does not meet this standard the individual must take out their own insurance to ensure this standard is met.

4. Declarations

When applying for registration applicants must declare that they will not practise the profession unless they have PII arrangements in place that meet this standard.

5. Evidence

Registrants who hold private insurance in their own name are required to retain documentary evidence of their insurance.

Registrants covered by group scheme insurance are not required to retain documentary evidence of the insurance policy.

The Board may, however, require any practitioner to submit evidence of their PII arrangements.

Non Compliance with Standard

Non compliance with this standard or a condition on registration or knowingly making a false declaration may be dealt with by the Board as a professional conduct matter under the National Law.

If a registrant is unable to make the required declaration of compliance at annual renewal the Board may refuse to renew their registration or any endorsement of registration, or may grant renewal of registration or endorsement of registration subject to conditions.

Periodic audits

Periodic audits of registrants may be conducted to ensure that registrants are compliant with this standard.

Definitions

Claims made policies means the policy that is in place at the time the claim is made, or when the circumstances that gave rise to the claim were notified to the insurer with prior events covered by continuity of cover, retroactive clauses, and/or run-off cover, whichever is applicable in the circumstances.

Occurrence-based policy means a policy that is in place when the event which is the subject of the claim occurred, even if the policy has not been renewed.

Professional indemnity insurance arrangements means arrangements that secure for the practitioner's professional practice insurance against civil liability incurred by, or loss arising from, a claim that is made as a result of a negligent act, error or omission in the conduct of the practitioner. This type of insurance is available to practitioners and organisations across a range of industries and covers the cost and expenses of defending a legal claim, as well as any damages payable. Some government organisations under policies of the owning government are self-insured for the same range of matters.

Run-off cover means insurance arrangements that protect a practitioner who has ceased a particular practice against claims that arise out of or are a consequence of activities that were undertaken when the practitioner was practising. It may also be required when converting from practising to non-practising registration for temporary periods out of practice. This type of cover may be included in a PII policy or may need to be purchased separately.

Practice means any role, whether remunerated or not, in which the individual uses their skills and knowledge as a health practitioner in their profession. For the purposes of this registration standard, practice is not restricted to the provision of direct clinical care. It also includes working in a direct nonclinical relationship with clients; working in management, administration, education, research, advisory, regulatory or policy development roles; and any other roles that impact on safe, effective delivery of services in the profession and/or use their professional skills.

Review

This standard applies from 1 July 2012. The Board will review this standard at least every 3 years.