

Attention: Chair, PII Guideline Consultation – Paper 11

The VMIA are grateful for the opportunity to provide feedback to this submission including the following documents:

- Proposed revised professional indemnity insurance arrangements registration standard
- Proposed Guidelines on professional indemnity insurance for psychologists

The following comments are now provided for consideration:

1. The proposed revised professional indemnity insurance arrangements registration standard

Requirements for employer PII arrangements

It is noted that retroactive cover and run-off cover are not relevant to occurrence-based policies. Automatic reinstatement is not relevant to a “limit of indemnity per event” policy

Scope of cover

The term “civil liability cover” can be confusing when the term is not defined as the interpretation can be wide reaching. The current VMIA medical indemnity policy is based on “liability to pay” compensation being sought by a third party. Therefore there must be a claim for compensation received from a third party for the policy to respond. The VMIA believe that our current medical indemnity insurance policy wording provides adequate cover although the words “civil liability” are not specifically included.

It is assumed that the proposed professional indemnity insurance arrangements registration standard does not intend to include financial transactions such as tax audit, medicare audit and TAC/Workcover matters.

Definitions

Professional indemnity insurance arrangements

It should be noted that there are variations in cover provided by both commercial and State based providers.

2. The proposed Guidelines on professional indemnity insurance for psychologists

Scope

As mentioned above, the term “civil liability cover” can be confusing when the term is not defined as the interpretation can be wide reaching.

Run-off and retroactive cover

Unlimited retroactive cover and run-off cover are both terms applicable under "claims made" insurance policies available in the commercial market. The VMIA's medical indemnity policy is occurrence based cover and these terms therefore do not apply.

Amount of cover

The limits appear reasonable, however, the VMIA would suggest that the individual practitioner is not in a position to determine an adequate level of indemnity without a full appreciation of the overall industry experience. This is perhaps one of those areas that requires broader consultation with the insurance industry.

General comments

In general, it is noted that there are variations between all of the PII requirements for each National Board. The VMIA consider that if a consistent approach for PII requirements is adopted across all of the Boards, this would provide greater clarity for both practitioners and the various insurers.

If a practitioner is granted indemnity as an employee of a Victorian public service and is not undertaking any activities outside of the scope of these duties, the VMIA would expect that they would be sufficiently covered under the terms and conditions of the VMIA's insurance policies.

Yours sincerely



Chris Tsoukalas
Acting Chief Operating Officer