

Professional indemnity insurance arrangements registration standard

Authority

This standard has been approved by the Australian Health Workforce Ministerial Council on 31 March 2010 pursuant to the *Health Practitioner Regulation National Law* (2009) (the National Law) with approval taking effect from 1 July 2010.

Summary

Nurses and midwives must not practise their professions unless they are covered in the conduct of their practice by appropriate professional indemnity insurance (PII) arrangements.

Scope of application

This standard applies to registered and enrolled nurses; registered nurses endorsed as nurse practitioners and registered midwives.

It does not apply to students of nursing and midwifery; to nurses and midwives who have nonpractising registration, or to registered midwives who are exempted under the National Law (see 'Definitions', below).

Requirements

1 When applying for registration or renewal of registration, nurses and midwives will be required to declare that they will not practice in the profession unless appropriate PII arrangements are, or will be, in place while they practise nursing or midwifery.

2 Nurses and midwives who hold private insurance cover in their own name are required to retain documentary evidence of their insurance and to provide it to the Board on request. Self-employed midwives must provide full disclosure of their level of PII to their clients.

3 Nurses and midwives in a genuine employment or student relationship would be covered vicariously by the employer's or education institution's insurance. It is the nurse or midwife's responsibility to understand the nature of the cover under which they are practising and the following professional indemnity insurance arrangements should be considered:

- a) Civil liability cover
- b) Unlimited retroactive cover, and
- c) Run-off cover

4 Nurses and midwives, unless exempted under the National Law, will require professional indemnity insurance to cover the full scope of their practice, whether employed or self-employed.

5 Nurses and midwives in different types of practice will require different levels of professional indemnity cover according to their individual scope of practice and risk.

6. The Board encourages practitioners who are assessing whether they have appropriate professional indemnity arrangements in place to consider:

- a) current employment status;
- b) the practice setting and the type of services and care delivered
- c) the patient or client group
- d) the volume of patients or clients to whom treatment, advice, guidance or care is provided
- e) the age and experience of the nurse or midwife
- f) previous history of insurance claims and the type of claim made against the nurse or midwife in the past, if any;
- g) advice from professional indemnity insurers, professional associations and industrial organisations
- h) any advice from an insurance broker

7. Self-employed nurses and midwives are also required to have run-off cover, except those midwives practising privately who are exempt under the National Law.

Definitions

Exemption for midwives practising private midwifery

refers to the detailed provisions set down in section 284 of the National Law.

Professional indemnity insurance arrangements

means arrangements that secure for the practitioner's professional practice insurance from 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 costs 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 that protects a practitioner who has ceased a particular practice against claims that arise out of or are a consequence of activities that were undertaken when he or she was conducting that practice or business. This type of cover may be included in a PII policy or may need to be purchased separately.

Retroactive cover means PII arrangements which cover the insured against claims arising out of or in consequence of activities that were undertaken in the course of the practitioner's professional practice, prior to the date of commencement of the insurance.

Review

This standard will commence on xx/xx/2011. The Board will review this standard at least every three years and on any change to the exemptions for midwives practising privately.

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