
THREE THINGS TO KNOW ABOUT: PROFESSIONAL LIABILITY INSURANCE

1. One of the many important decisions you will make in starting your psychiatry practice will involve the purchase of medical professional liability (medical malpractice) insurance. Even if you are joining an already established practice and liability insurance will be provided for you, it is important that you understand a bit about the types and scope of coverage so that you can better assess the value of the benefit being offered.
2. There are two main types of policies available: **occurrence** and **claims-made**. When offered by the same insurance company, these two types of policies will be virtually identical in terms of what is covered. The difference between the two, is how – or more accurately, when - coverage is triggered. With an **occurrence policy**, coverage is given for an incident giving rise to a claim or lawsuit that occurs while the policy is in place, regardless of when it is reported to the insurance company. By contrast, a **claims-made policy** affords coverage to those claims reported while the policy is in effect.
3. Aside and apart from reviewing policy language, it's a good idea to know something about the company itself starting first with financial viability. Take a look at AM Best and other ratings to ensure that the company is stable. You might also want to review your state's insurance department website to see whether any complaints have been made against the company.



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