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TAILORED INSURANCE SOLUTIONS FOR MEDICAL PRACTICES

General Advice Warning

- This presentation does not take into account your current objectives, financial situation or needs.
- Because of this you should consider the appropriateness of the cover/advice provided having regard for your current objectives, needs and financial situation.



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TAILORED INSURANCE SOLUTIONS FOR MEDICAL PRACTICES

Comprehensive Solutions for Medical Practices

All doctors working in private clinics need medical indemnity insurance!

MEDICAL INDEMNITY INSURANCE

Specialised Medical Indemnity Insurance for medical practitioners

PRACTICE INDEMNITY INSURANCE

Protects practices, clinics and healthcare institutions from malpractice, negligence or errors

CYBER INSURANCE

Protects against data breaches, ransomware and liability from compromised patient information

COMMERCIAL/ OFFICE INSURANCE

Covers clinic property and equipment, loss of income from specified events, and can include public liability

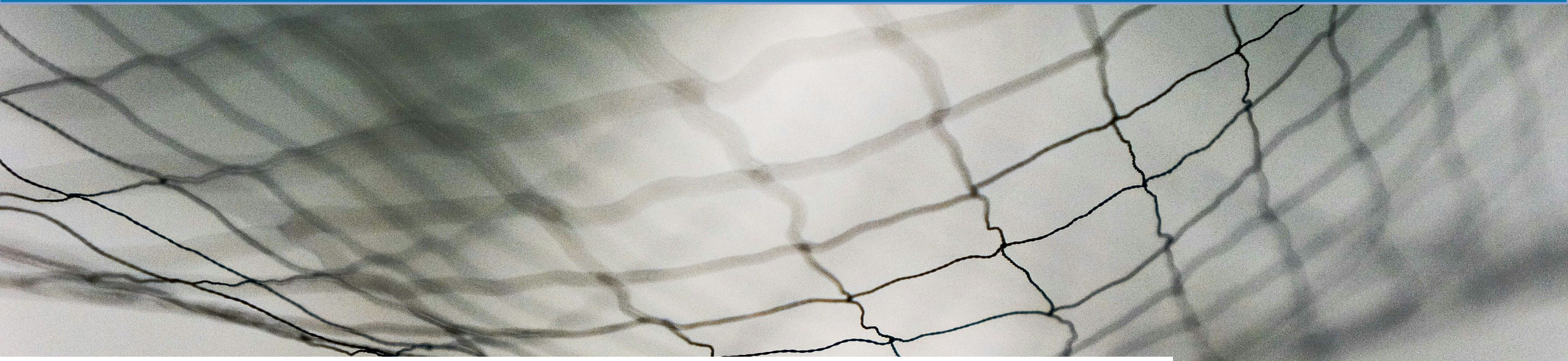
MANAGEMENT LIABILITY INSURANCE

Protects owners, directors and managers from risks like mismanagement, regulatory breaches, employment practices and crime

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From Patients to Practice: Building a Safety Net Against Modern Risks

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Practice Indemnity Insurance

Common Misconception:

Professional indemnity only protects doctors for individual mistakes

The Reality:

A medical practice also carries risk through:

- Patient Interactions
- Staff (Nurses ,admin, allied health)
- Systems and processes that support care

The Safeguard:

Practice Indemnity Insurance

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Practice Indemnity Protects Who?

- The Business (entity)- Primary Purpose!
- Employees (eg nurses, admin staff, allied health)
- Doctors (may extend if gap in personal policy or where practice itself is held vicariously liable)
- Contractor doctors (limited basis)



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Common Risks in Medical Practice

Clinical Errors

- Misdiagnosis or delayed diagnosis
- Medication errors (wrong drug/dose)
- Procedural errors during minor surgeries or injections
- Failure to obtain informed consent
- Failure to refer to a specialist

Admin Errors

- Appointment & scheduling mistakes
- Failure to communicate test results
- Incorrect patient records entered
- Breaches of confidentiality/privacy
- Billing and Medicare claiming errors
- Poor triage or failure to escalate urgent cases

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Practice Indemnity Insurance Covers...

Medical Malpractice

- Covers claims for **bodily injury** arising from unintended errors, mistakes, or malpractice in healthcare services.
- Includes cover for:
  - Negligent advice or misrepresentation.
  - Defamation (libel/slander).
  - Breach of confidentiality or privacy.
  - Infringement of intellectual property rights.
- **Defence costs & settlement expenses**

Key Extensions:

- Abuse liability, complaints & investigations, Medicare/private health audits.
- Good Samaritan acts, telehealth, mandatory reporting.
- Vicarious liability for medical practitioners & locums.

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Practice Indemnity Insurance Covers...

Errors and omissions

- Covers claims for **errors or omissions** in professional services (e.g.admin, advisory, training).
- Covers claims for **bodily injury** arising from unintended errors, mistakes, or malpractice in healthcare services.
- Includes cover for:
  - Negligent advice or misrepresentation.
  - Defamation (libel/slander).
  - Breach of confidentiality or privacy.
  - Infringement of intellectual property rights.
- **Defence costs & settlement expenses**

Key Extensions:

- Employee dishonesty, complaints & investigations.
- Loss of documents, statutory liability, contamination clean-up.
- Media management crisis costs, continuous cover.

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When is Practice Indemnity Required?

- **Sole Trader (100% owned by one doctor)**

  May only need the doctor's individual indemnity policy

- **Partnership, Trust, or Company**

  Generally requires separate practice indemnity insurance



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General Liability (Public & Products Liability)

Covers broader risks of running a business

- **Public Liability** – injuries or property damage on premises
- **Products Liability** – harm caused by products supplied, sold, or modified



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Cyber Liability

"There are only two types of companies: Those that have been hacked and those that will be hacked."

– Robert S. Mueller, III, former Director of the FBI

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Cyber Liability: The Stats

20% of all Australian data breaches in 2024 came from **healthcare**

48% of healthcare organisations reported a **cyber attack in 2025**

12.9M Australians had health data stolen in the **MediSecure breach (2024)**

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Top 4 Cyber Risks for Medical Practices

1. Phishing & Email Compromise

Fake emails trick staff

2. Ransomware

Systems locked until ransom is paid

3. Human Error

Mistakes expose data (wrong email, misconfigured system)

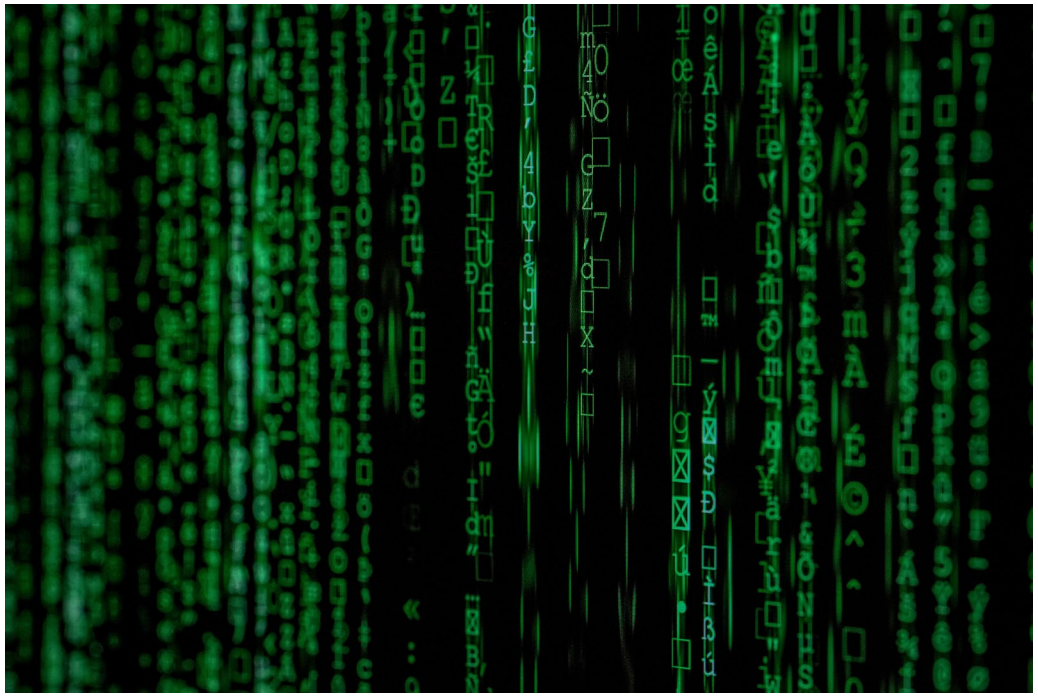
4. Third-Party Vendor Breaches

External providers (labs, billing, prescriptions) hacked

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What are the Ramifications for Practices?



- Cyber incidents aren't just IT problems - they are **patient care** problems
- Disruption to practice: cancelled appointments, delayed treatments or a closed practice
- Loss of trust: patients expect their records to be safe
- Legal & financial exposure: OAIC reporting, fines, lawsuits
- Every clinic, large or small, is a potential target!

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Cyber Insurance: Before vs After

Without Cyber Insurance (Before)

❌ Confusion about what to do after a breach

❌ Out-of-pocket costs for IT forensics & legal advice

❌ Must notify patients & regulators alone

❌ Lost income if systems are offline

❌ Risk of lawsuits with no support

With Cyber Insurance (After)

✅ Immediate access to IT & cyber response experts

✅ Legal & regulatory guidance

✅ Patient notifications, credit monitoring & PR support included

✅ Business interruption losses reimbursed

✅ Defence costs & settlements covered

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Digital Healthcare

Rapid Growth

The digital healthcare sector is evolving at unprecedented speed

Opportunities

Innovations like AI, remote patient monitoring, and telemedicine are transforming patient care and driving medical breakthroughs.

Risks

But with this progress comes exposure to **new risks** that many practices have not yet considered.

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Management Liability

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Management Liability – The Business Side of Medicine



As an employer...

- Risk of claims for **unfair dismissal, bullying, discrimination**

As a manager...

- Must comply with **WHS laws, privacy, Fair Work**
- Simple oversights can trigger **penalties or investigations**

As a director...

- Carry **personal accountability**
- Financial decisions, regulatory breaches, or employment issues can put **assets at risk**

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Management Liability – What it includes

- **Directors & Officers Liability** – Protects personal assets if accused of mismanagement.
- **Employment Practices Liability** – Covers unfair dismissal, bullying, or harassment claims.
- **Statutory Liability** – Responds to breaches of legislation.
- **Crime/Fraud Cover** – Protection against employee dishonesty or theft.
- **Tax Audit Cover** – Supports certain ATO investigations.

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FWC Statistic!

Fair Work Commission Applications – FY 2023/24

- 40,188 applications received (unfair dismissal, bullying, harassment, etc.)
- Highest annual number since the Fair Work Act 2009

EPL Risk Trends in Australia

- Increasing disputes around workplace conduct:
  - Harassment & discrimination
  - Return-to-work policies
  - COVID-19 vaccine mandates
- Growing awareness of employee rights leading to more claims

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Management Liability Pays For:

- Legal defense costs
- Tribunal and inquiry representation
- Settlements and compensation
- Regulatory investigations

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Management Liability Claims

- Employment Claim (Fair Work)
  - Settlement and defense costs exceeded $150,000
- Workplace Harrassment/ Discrimination
  - Total legal and settlement costs $237,000
- Employee Theft
  - Loss and investigation re-imbursed $150,000
- ATO Audit Costs
  - Professional fees $40,000

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Commercial Insurance

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Commercial Insurance

- Property and Assets Damage
- Business Interruption – Income Protection for a Business
- Theft
- Money
- Machinery/Equipment Breakdown
- Public & Products Liability
- Glass
- General Property
- Employee Dishonesty
- Tax Audit



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Business Interruption – Key Features

- **Indemnity Period**
  Covers until the practice is realistically back to pre-loss levels.
- **Gross Profit vs. Revenue**
  Cover is based on gross profit (turnover minus variable costs).
- **Increased Cost of Working (ICOW)**
  Covers the additional expenses incurred to keep the business operating and reduce the loss of income
  Examples: renting temporary rooms, outsourcing services.

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Business Interruption- Key Features

- **Trends & Adjustments Clause**
  Claims adjusted for actual business conditions at time of loss.
  Ensures fairness (e.g. if practice was growing).

- **Extensions Beyond the Premises**
  Cover can extend to:
  - ❑Utility failures (power, water, telecoms)
  - ❑Access issues (road closures, etc.)

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Property and Business Interruption – Claim

- **Medical practice –Day Surgery**
- **Event: Electrical fire - smoke & water damage.**
- **Closure: 4 Days for repairs.**
- **Immediate Impact**
  - ❑ Loss of reputation – procedures cancelled
  - ❑ No patient consultations → loss of
  - ❑ Staff & rent
  - ❑ Dam

$180,000 settlement

Costs of immediate Remediation to make safe

- Electrical contractor – inspect, reconnect, Test and Tag
- Air conditioning filter cleaning and servicing
- IT support – Test/assess IT and office equipment for smoke damage.
- ul particles,
- Cleaned carpets/ chairs
- Cleaning of all surfaces
- Disposed of consumables
- Check AIR quality assessment prior to restarting practice
- Costs of replacing Carpets/blinds /consumables/ stock
- **Loss of Profits Claim**
- **ACOW – Staff Overtimes/ Generator**
- **Accounting Fees CPC**

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Insurance Protects, But Good Practice Prevents!



- **Practice Indemnity** – Stay trained, document well, follow guidelines
- **Cyber** – Strong passwords, updates, staff awareness
- **Commercial** – Safe premises, maintained equipment, safety compliance
- **Management Liability** – Clear HR policies, up-to-date handbooks, fair processes

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Protecting Your Practice: Building a Safety Net for the Risks You Can't Afford to Ignore

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