



**Occurrence or Claims-Made?** Your policy will most likely provide professional liability coverage on either an occurrence or claims-made basis.

**Occurrence coverage** responds to claims based on when the medical incident occurred, regardless of when the claim is actually made against you. As long as the medical incident occurred during the policy period, your occurrence policy will respond—even if the claim is made after the policy period expires.

**Claims-Made coverage**, by contrast, responds to claims based on when the claim is first made against an insured. Given the length of time that can pass between a medical incident and a resulting claim, claims-made policies contain a retroactive (or “prior acts”) date. This retroactive date allows the policy to look back in time and consider prior medical incidents. As long as the medical incident took place after the policy’s retroactive date (or “prior acts date”), and the claim is first made during the policy period, your claims-made policy will respond.

If you renew your claims-made policy with the current carrier, your coverage will continue uninterrupted. However, if you move to another professional liability carrier, your claims-made coverage ends and you will have to either obtain a reporting endorsement from the prior carrier (often referred to as “tail” coverage), or purchase prior acts coverage from the new carrier. A reporting endorsement allows you to report claims based on medical incidents that took place between the retroactive date and policy termination date, but are first made after

the policy coverage terminates. If your prior carrier is unable or unwilling to provide you with a reporting endorsement, you will have to seek coverage for these “prior acts” through your new carrier.

However, new carriers will consider the financial stability of your prior carrier. If the prior carrier is considered financially unstable or insolvent, the new carrier will be less willing to extend coverage for any prior acts. Since this could impact your insurability and create coverage gaps, it is important to purchase coverage from financially stable companies. Remember, coverage, including extended reporting endorsements, is only as good as the long-term financial health of your carrier.

As with the policy itself, you need to review the language of any reporting endorsement offered. Understand your right to obtain an offer of tail coverage, how the premium (if any) will be determined, and the length of time you are given to report claims.

**Beyond the Policy – Risk Management Solutions.** Does your professional liability carrier go beyond the policy to help you improve patient safety and reduce risk? Do you have access to the tools and resources necessary to support those efforts?

Effective risk management is critical for all health care professional. It requires extensive knowledge of the myriad of issues affecting today’s providers, and helps you find creative answers and meet the most pressing challenges.

Understanding the relationship with your professional liability carrier is critical. Invest the time to examine your policy’s benefits, coverages and costs.

**Ask questions. Compare offerings.**

At Medical Protective we’re proud to offer you our expertise and dedication to fulfill and service your insurance needs as they develop and change.

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