



## Message from the Council Chair

The September meeting of Council focused on the information needs of registrants. It was acknowledged that there is often confusion over the mandate/role played by Council and the health professional colleges. Council acknowledged that we have a responsibility to communicate to our registrants based on our mandate as set out in the *Health Professions Act*.

Council recognizes that in today's society individuals often experience communication overload. Given this reality Council decided to use a limited number of communication vehicles to distribute information and education on professional registration. The key focus for the NLCHP will be education on the implications and obligations of being a regulated health professional.

Council decided to utilize the NLCHP website for communication with both registrants and the general public; however this registrant newsletter would be used for direct communication with registrants.

In the fall edition of *Making Connections* the NLCHP asked for feedback on the content of the newsletter. The response rate was low but over 90% of those responding indicated that the newsletter was helpful, and 80% indicated that the newsletter was of interest to them. It was also evident from the feedback that a number of respondents still confused the roles of their college with that of the NLCHP and in fact, it was clear by the responses that some believed the *Making Connections* newsletter came from their health professional college. The feedback was helpful to the NLCHP and supports Council's decision to focus the registrants newsletter on the role and mandate of the NLCHP.

Moving forward the NLCHP will continue requesting feedback on the newsletter, and a link to provide feedback will be included each edition of *Making Connections*.

Colin Power BSc, MLT

## Professional Liability Insurance (PLI) and the Regulated Health Professional

In an effort to better understand health professional regulation and registration requirements, the focus of this newsletter is on the importance of professional liability insurance (PLI).

One of the privileges that comes with self-regulation is the obligation to protect the public in the event they suffer a loss due to failure on the part of the registered health professional. The requirement for registrant PLI offers some protection against this loss.<sup>1</sup> The Government of Newfoundland and Labrador has determined by its legislation that it is in interest of the public that health professionals have their own PLI and has mandated this requirement for all professions regulated by the NLCHP.

Registrants question why employer insurance does not sufficiently cover health professional employees and why they need their own liability insurance. The simple answer is that your employer expects you to

**IT IS IN THE INTEREST OF THE PUBLIC, HEALTH PROFESSIONALS HAVE THEIR OWN PLI.**

be a competent professional who abides by the practice standards of your profession. In the event that a particular practice standard is breached during the course of your

work where harm to client is alleged, then the health professional involved may be required to defend that allegation on their own behalf.

An employer's insurance covers employees for work carried out on the employer's behalf including insuring against injuries that may occur on the job, but an employer's coverage ceases if the employee does not follow employers policies and procedures or if it is discovered that the health professional breached professional standards.

In today's environment, members of a self-regulated profession are expected to be able to defend their practice, and it is not uncommon for an employer to file a complaint or an allegation against an employee. In these circumstances, an employer's general liability coverage will not cover the registrant for costs of defending the complaint.

Similar to home and car insurance, claims are infrequent, but if there is a claim the replacement costs are significant. The cost associated with disciplinary hearings generally start in the vicinity of \$25,000. However, it should be noted that the cost of a number of hearings in this province have been as much as \$100,000.

"Professional indemnity insurance often referred to as professional liability insurance..., covers legal costs and expenses incurred in [your] defense, as well as damages or costs that may be awarded, if you are alleged to have provided inadequate advice or services..."<sup>2</sup>. Costs may be awarded to a complainant where damages and loss are established. It is important for registrants to understand what is covered and what is excluded in a PLI policy.

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<sup>1</sup> Human Resources Professionals Association, Office of the Registrar (2012) *Guide to Professional Liability Insurance* pp. 3. [http://www.hrpa.ca/OfficeOfTheRegistrar/Documents/OfficeoftheRegistrarDocuments/Prof Liability Ins Guidebook 2012 v. 2.pdf](http://www.hrpa.ca/OfficeOfTheRegistrar/Documents/OfficeoftheRegistrarDocuments/Prof%20Liability%20Ins%20Guidebook%2012%20v.%202.pdf)

<sup>2</sup> Markel Direct, UK (2016) Professional indemnity insurance explained-a simple guide to PI insurance. <https://www.markeluk.com/articles/professional-indemnity-insurance-explained>

There are two types of PLI available in the marketplace. Policies can be *claims based* or *occurrence based*. Registrants generally purchase PLI through their national associations as a member benefit. At this time the majority of policies available through national associations, are claims based policies.

### Claims based vs. Occurrence based

Claims based policies only cover claims made against a registrant and are reported to the insurance company while the policy was in force. Issues arising out of services provided to clients may not be evident at the time of the service. Clients often make complaints regarding service at some point in the future.

If a claim is made and the registrant no longer has a PLI policy in place, the claim will not be covered by your insurance company. The defense of the claim and costs associated with the settlement of a claim will be the responsibility of the registrant. Some insurers will provide 'tail coverage' at an extra cost or as part of a policy when an individual retires from the profession. This will extend coverage for claims made for a period of time (generally 5-7 years) after the health professional's policy expires.

Occurrence based policies cover claims made against the registrant and reported to the insurance company at any time as long as there was a policy in place at the time an incident is said to have occurred. Given the nature of this type of policy, they tend to be higher cost.

The Canadian Society of Respiratory Therapists (CSRT) has an online video on PLI that highlight why professionals require PLI and the services that are generally offered by insurers. You can access the video at: [www.csrt.com/professional-liability-insurance/](http://www.csrt.com/professional-liability-insurance/)

Most of us wouldn't consider running a vehicle or owning a home without adequate insurance coverage whether it was legislated or not. It stands to reason that prudent practitioners obtain liability insurance to cover and insure their professional work life.

### Your feedback is important.

We would like to hear your feedback as well as what suggestions you have for future editions of *Making Connections*. The survey will take just a few minutes to complete. Please click on the following link to access the survey. <https://www.surveymonkey.com/r/NQN2BFB>

If you require additional information or clarification of the content of this communication please feel free to contact staff at the NLCHP office.

### Contact Information

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709-745-7304 or 1-855-863-8616 [contact@nlchp.ca](mailto:contact@nlchp.ca)

## The Colleges:

### **College of Traditional Chinese Medicine Practitioners and Acupuncturists Newfoundland and Labrador**

47 Leslie Street St. John's NL

A1E 2V7

[www.ctcmanl.ca](http://www.ctcmanl.ca)

Ethne Munden, Chair

### **College of Audiologists and Speech-Language Pathologists Newfoundland and Labrador**

Suite 435, Unit 50 Hamlyn Road Plaza

St. John's, NL

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[www.caslpnl.ca](http://www.caslpnl.ca)

Chris Murphy, Chair

### **Newfoundland and Labrador College of Dental Hygienists Inc**

390 Topsail Road

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Dan Mercer, Chair

### **Newfoundland & Labrador College of Respiratory Therapists**

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Bonnie O'Leary, Chair

### **Newfoundland & Labrador College of Medical Laboratory Sciences**

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Curtis Martin, Chair

## HEALTH PROFESSIONS ACT, 2010

### Mandate of the NLCHP

- Support the quality and safety of Health Services;
- Enhance public protection;
- Improve patient safety;
- Strengthen the regulatory system;
- Facilitate patient-centered, interprofessional collaboration and care.