

## Professional Indemnity Insurance Requirements

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**Effective from:** 1 January 2017

### Summary

This document sets out the requirements of the Veterinary Surgeons Board of South Australia (the Board) for the professional indemnity insurance (PII) arrangements of registered veterinary surgeons.

In reading this document, please refer to the definitions set out on pages 3 and 4.

### Do these requirements apply to me?

The PII requirements apply to all registered veterinary surgeons who have not been exempted by the Board from complying with these requirements.

### What must I do?

1. When you practise as a veterinary surgeon, you must be covered by your own or third party PII arrangements:
  - a. for all aspects of your practice;
  - b. that cover all locations where you practice;
  - c. that provide cover for you whether you are working in the private, non-government and/or public sector; and
  - d. that provide cover for you whether you are practising full-time, part-time, self-employed, employed, or in an unpaid or volunteer capacity, or any combination of these capacities.
  
2. Your PII cover must include:
  - a. civil liability cover;
  - b. appropriate retroactive cover for otherwise uncovered matters arising from prior practice; and
  - c. automatic reinstatement

**or**

  - d. the equivalent of 2a to 2c above under third party PII arrangements.
  
3. If you are covered by a third party PII arrangement, it must meet these requirements. If you are in any doubt about whether the third party cover meets these requirements, you are responsible for asking what is covered by the third party PII arrangement.

If the third party cover does not meet these requirements you must take out additional cover to ensure these requirements are met.

4. If any area of your practice is specifically excluded from your PII cover, you must not practise in that area.

5. If your PII arrangements are provided by your employer, and you intend to practise outside your stated employment, you must have individual PII arrangements in place to cover that practice. This may include cover for undertaking:
- practical components of continuing professional development
  - study involving patient treatment
  - volunteer work (unless already separately covered in that capacity such as by a volunteering organisation)

### **Amount of cover**

If you are taking out your own PII, you must ensure that your level of cover is adequate and appropriate. You should obtain personal professional advice on this matter. You should provide accurate and up-to-date information to your professional advisor about the scope and nature of your practice. You must be able to demonstrate to the Board that you fully disclosed these matters to your professional advisor and justify your decisions about PII if asked to do so.

### **Are there exemptions to these requirements?**

The Board may, subject to such conditions as it thinks fit, exempt a person or class of persons, from these requirements (section 44(2) of the *Veterinary Practice Act 2003*).

### **What does this mean for me?**

You must not, unless exempted by the Board, provide veterinary treatment for fee or reward unless you have PII arrangements in place that meet these requirements (section 44(1) of the *Veterinary Practice Act 2003*).

### **When you apply for registration or reinstatement of registration**

When you apply for registration or reinstatement of registration you must declare that you will not provide veterinary treatment for fee or reward unless you have PII arrangements in place that meet these requirements.

### **At renewal of registration**

You will be required to declare annually at renewal of registration that:

- a. during the preceding period of registration, you provided veterinary treatment for fee or reward in accordance with these requirements; and
- b. you will not provide veterinary treatment for fee or reward unless you have PII arrangements in place that meet these requirements.

### **When you cease practice**

When you decide to cease practice, you must take out appropriate run-off cover for matters that would otherwise be uncovered arising from previous practice as a veterinary surgeon.

### **Evidence**

The Board may, at any time, require you to provide evidence that you have PII arrangements in place that meet these requirements.

If you hold private insurance in your own name, you should retain documentary evidence of your insurance for at least seven years.

If you are covered by a third party insurance arrangement, you are not required to obtain documentary evidence of the insurance policy unless the Board requests it. However, there may be circumstances when you are required to seek the documentation from that third party. If requested by the Board, you must provide a certified copy of the certificate of currency or a letter from the third party declaring that you are covered.

### **What happens if I don't meet these requirements?**

If you do not meet the requirements, the following consequences may apply:

- the Board can refuse your application for registration, reinstatement of registration or renewal of registration (section 32(b) of the *Veterinary Practice Act 2003*)
- the provision of veterinary treatment for fee or reward without PII arrangements that meet these requirements is an offence for which you may be prosecuted by the Board. The maximum penalty upon conviction is \$10,000 (section 44(1) of the *Veterinary Practice Act 2003*)

### **What happens if I make a false declaration when applying for registration?**

If you procure your registration or reinstatement of registration by fraud or other dishonest means, such as by making a false declaration about your PII arrangements at the time of applying for registration, reinstatement of registration or renewal of registration, you will commit an offence for which you may be prosecuted by the Board. The maximum penalty upon conviction is \$20,000 or imprisonment for 6 months (section 69 of the *Veterinary Practice Act 2003*).

### **Definitions**

**Automatic reinstatement** is a provision in policies which allows for the limit of indemnity (amount insured) to be reinstated for new, unrelated claims, after one or more claims has been paid to the limit of the indemnity.

**Civil liability insurance** means insurance that covers the costs of liability incurred by the insured arising from civil claims seeking compensation for personal injury, harm or loss incurred, where the claim arises directly from an alleged act, error or omission committed in the conduct of the practitioner's practice or professional business during the policy period. Civil liability cover includes cover for legal expenses incurred in defence or settlement of a civil claim and for damages payable.

**Occurrence-based policy** means a policy that is in place when the event which is the subject of the claim occurred, even if the policy has not been renewed.

**Practice** means any role, whether remunerated or not, in which an individual uses his or her skills and knowledge as a veterinary surgeon. For the purpose of these requirements, practice is not restricted to the provision of direct clinical care. It also includes using professional knowledge in a direct non-clinical relationship with clients and/or patients, working in management, administration, education, research, advisory, regulatory or policy development roles, and any other roles that impact on safe, effective delivery of services in the profession.

**Professional indemnity insurance arrangements** means arrangements that secure for the practitioner's professional practice insurance against 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 cost 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.

**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 the commencement of the insurance.

**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/she was conducting that practice. This type of cover may be included in a PII policy or may need to be purchased separately.

**Third party cover** means the cover that an individual holds through a third party's insurance arrangement, such as through an employer, education provider or union.

### **Review**

These requirements will be reviewed by the Board from time to time as required. This will generally be at least every three years.

Last reviewed: 8 September 2016

Next review: 8 September 2019