Top business insurance every physician needs

Physicians & Doctors Business insurance is available for various specialty types, such as Internal Medicine, Surgery, Pediatrics, Anesthesiology, Radiology and Psychiatry. Common symptoms, such as malpractice lawsuits, employee injuries and property damage, are relevant your medical practice, here is what you need to know:

There are four major policies that serves as prevention for losses: A Medical Malpractice Liability (often referred to as Professional Liability), a General Liability or a Business Owners Policy as well as a Workers’ Compensation (which is mandatory) and Cyber Insurance.

Malpractice / Professional Liability Insurance

With great power comes great responsibility, thanks to your extensive time in medical school and your professional experience, you are able to take far-reaching decision that impact your patient’s life. Small mistakes or misleading & incomplete documentation impede your diagnosis. Patients may seek reparation, which hurts your reputation & wallet. Your Professional Liability will cover legal cost and settlements.

The fear of a liability should not hang like a cloud over you, making insurance a necessity rather than a gadget. You are working in a fast-paced working environment, taking health-related decisions that are emotional: Even the slightest treatment mishaps or a (alleged) misdiagnosis can create non-illness borne headaches for you and your patients, who then consider litigation.

It’s not an “if”, but a when question: Statistically speaking, one out of every two physicians are sued, and almost 30% multiple times. Even more critically, the percentage of physicians sued is over 70% for General Surgery, Emergency Medicine and Obstetrics & Gynecology (aged 55+, cf. [American Medical Association](https://www.ama-assn.org/sites/default/files/media-browser/public/government/advocacy/policy-research-perspective-medical-liability-claim-frequency.pdf)). The majority of claims (68%) are fended off, however, even unfounded claims lead on average to more than $30,000 in legal cost (cf. [AMA](https://wire.ama-assn.org/practice-management/1-3-physicians-has-been-sued-age-55-1-2-hit-suit)).

Be aware, while many medical practices (but not all) will provide their physicians with Professional Liability coverage, chances are that limits (the maximum amount the insurance covers) are inadequate, therefore each physician should consider an individual Professional Liability policy as well. Moreover, most policies are written on a “claims-made” basis, meaning that no coverage is granted for lawsuits filed after you have terminated your employment.

Depending on your type of specialty, additional endorsements are required expand your scope of coverage, here are common examples:

General Anesthesia Coverage: By default, claims arising out of the use of general anesthesia or deep sedation, unless administered in a hospital or by a person licensed in the administration of general anesthesia other than an insured, are excluded. If necessary, additional insureds have to be added.

Cosmic Dermal: Coverage is granted for damages caused through dermal procedures, such as botulinum toxins, hyaluronic acid products, collagen injections or dermabrasions.

Temporary Substitute Physician: If one of your doctors is unavailable for a longer period of time, e.g. due to maternity leave, this endorsement would include coverage for a temporarily replacement.

General Liability

This policy covers injuries sustained by your patients & business partners, e.g. a patient slipping when still feeling befuddled after treatment. Also covered are two more things: Firstly, you are protected against third-party property claims, e.g. if a malfunctioning medical appliance causes a fire in your rented real estate, or if you accidently damage your patients’ property. Secondly, the policy shields you from Personal & Advertising injuries, e.g. when you are too “confident” in your recent marketing material and gossip about another doctor, who in turn files a libel & slander claim, as well as, if you improperly used someone else’s slogan or pictures and infringed a copyright.

Business Owners Policy

With a Business Owners Policy (“BOP”) you enjoy a discount, as it bundles General Liability with Property Liability and Business Interruption Insurance. As General Liability only covers third-party damages, you need a BOP if you own valuable property, such as your real estate or medical devices and other valuable electronics, as those are covered as well. Nonresidential fires are often caused by trivialities such as electronics, appliance or heating malfunctioning (appr. 18%, cf. [FEMA](https://www.usfa.fema.gov/downloads/pdf/statistics/nonres_bldg_fire_estimates.pdf)), moreover, BOP would also cover repair cost & restauration in cases of vandalism or natural perils, such as a windstorm.

Also included is a Business Interruption Insurance, that covers expenses and missed income for closed days. While not being able to treat your patients after a devastating accident, is bad enough, this policy would shield you from ongoing expenses (such as utility cost) and missed income, letting you focus on repair & rebuild your practice.

Workers’ Compensation

In case your employees become patients, Workers’ Compensation would cover medical cost, missed wages & indemnity. Last year, New York registered for physicians 5,070 workplace related accidents, e.g. contact with sharp objects, and injuries, e.g. repetitive motions that cause back injuries or sprains, with a median 5 days away from work (cf. [OSHA](https://www.osha.gov/oshstats/work.html)).

Cyber Insurance

Every diagnosis & treatment is only as good as the information you have about your patient. By storing medical information, you are exposed to potential hacking attacks. Cyber insurance would cover reputational reparations & lawsuits in case of a data breach. In similar cases, the loss cost per patient record has been $200 (cf. [PwC](https://www.forbes.com/sites/stevemorgan/2016/05/13/list-of-the-5-most-cyber-attacked-industries/#59b5f72c715e))

While you might not give you a lollipop, here are more insurance goodies you should consider.

Commercial Vehicle Insurance: If you own or rent a car to make home visits, transport patients or source supplies, coverage would be excluded under a regular/private car insurance.

Employment Practices Liability Insurance: It can be life & death situations, making a physician’s office a high-stress work environment with arguments and disputes. This policy will cover legal cost and settlements in case a (former) employee files a lawsuit against you.

Given the high premiums, not only for malpractice insurance, you should plan your insurance purchase carefully. Visit linchpin.app to learn more about your coverage options and use our premium estimate calculator.