

What Is Medical Malpractice Insurance and Why Do You Need It?



800.362.3363 | info@vginsurance.com

Introduction

When the topic of Medical Malpractice Insurance comes up, many immediately think of physicians. However, Medical Malpractice Insurance is an important coverage for nearly all types of healthcare professionals, including nurses, pharmacists, prosthetists, physical therapists, and even personal trainers.

If you or your employees provide medical advice or services to patients, you'll want to ensure the appropriate coverage is in place should a claim arise. Here's what you should know about Medical Malpractice Insurance and why you need it.

What Is Medical Malpractice Insurance?

Sometimes called Med Mal or Medical Liability Insurance, Medical Malpractice Insurance is a specific type of Professional Liability Insurance. When claims of personal injury or medical negligence occur, Medical Malpractice Insurance is there to help protect healthcare professionals from damages, such as:

- Attorneys' fees and court costs
- Arbitration costs
- Settlement costs
- Punitive and compensatory damages
- Medical damages

It's important to note, Medical Malpractice Insurance does not cover claims arising from sexual misconduct, criminal acts, and inappropriate alteration of medical records. To see examples of claims we've seen at VGM Insurance and get actionable advice, be sure to check out our [Real Life Claims Case Studies](#).

Why Do You Need It?

The short answer is— medical malpractice claims are costly. A 2019 report found the average cost of medical malpractice claims in the U.S. rose by [50%](#) over the previous 10 years. This points to a changing climate of litigation in the country, with more courts willing to tack on extravagant punitive damages. Of course, monetary damages are only part of the equation. Medical malpractice claims can also damage your reputation, leading to further costs in the long term.

As concerning as the costs is the frequency of claims. We've said before, there's always a possibility of a claim, especially in our litigious society. And this couldn't be truer than in the healthcare industry—one survey found [41%](#) of patients believed a medical error was made during their care. You also must consider that a claim may be made against you years after the medical advice or service was provided.

While some individuals may be covered as part of their employer's policy, it's critical to do your due diligence and ensure you have adequate coverage in place. And if services or advice are provided outside the scope of an employer's business (and policy), it's critical that individuals carry their own Medical Malpractice Insurance. Perhaps they volunteer their time at a blood bank or charitable organization. In these cases, any coverage provided by an employer's policy is not extended to the individual.

What Factors Determine the Cost?

When preparing a quote, your insurance agent or broker will look at a number of factors to determine your rate. These include:

- Professional specialty
- Years of experience
- How often you work
- Previous claims filed against you

This is not an exhaustive list of factors, but it represents the type of information you'll want to have available when requesting a quote.

How Can You Stay Protected?

Preparation is key when protecting yourself and your business from medical malpractice claims. Three steps you can take include:

1. Ensure that anyone who provides medical advice or services to patients is properly trained. For example, those who service durable or home medical equipment should have manufacturer-provided training.
2. Verify that professional employees carry appropriate Medical Malpractice Insurance coverage.
3. Keep accurate records. Keep training and insurance verifications on file. And thoroughly document conversations with patients, the services provided, and—especially—any complaints made. This can go a long way toward mitigating negative outcomes should a claim arise.

Of course, the best way to ensure you're protected is to work with your insurance agent or broker. They'll walk you through where your greatest risks exist, the best coverage to have in place, and what you can do to prevent a claim or mitigate risk ahead of time.

For more information about Medical Malpractice Insurance, reach out to your VGM Insurance Services Account Manager, or contact us today a info@vgminsurance.com or **800-362-3363**.

