

## Practice Information

# Advanced Practice Nurses: Tips for Selecting the Right Professional Liability Coverage

**Michele Satterlund**

As essential providers throughout the healthcare delivery system, it is important that advanced practice nurses (APNs) consider the risk management policies they have in place. Having the right professional liability coverage will alleviate some of the risk involved with every day practice, and will provide the APN with an added level of protection.

Professional liability insurance typically pays for a defense attorney and any settlement or judgment against the APN, up to the policy limits. Depending on the policy, the APN may also be covered for licensure defense should the APN be reported to the Board of Nursing.

Even if an APN has coverage provided by an employer, the coverage terms may not be adequate, and unless an APN has a personal policy, there is no guarantee that the APN's interests will be protected.

In preparing to select the right professional liability coverage, the following tips may provide a framework from which the APN can better select a professional liability insurer or agent:

- **The Agent:** Choosing the right agent is important. Professional liability coverage can be complicated and it may be better to select an agent who specializes in handling professional liability coverage. A homeowner or automobile agent may not be as well versed in the intricacies of professional liability coverage.
- **The Practice Setting:** Be certain the agent or insurance carrier fully understands the practice setting and business model. The professional liability needs of an APN employed by a hospital are different from the

APN who owns a practice, and it is important the agent has a comprehensive understanding of the practice.

- **Licensed in Virginia:** It's always best to choose insurers and agents that are licensed to do business in Virginia. The State Corporation Commission's Bureau of Insurance can verify that an insurer and agent's licensing information is accurate and up-to-date.
- **Type of Coverage:** Know what type of coverage will work best for you. The two standard types of coverage are typically called "occurrence coverage," and "claims-made" coverage. Occurrence coverage requires that the claim incident occurs during the period the policy is in force. Under occurrence coverage, if the incident occurred while the policy was in force, but the claim was made after the policy period, the claim would be covered. Claims-made coverage differs from occurrence in that the incident and the claim must be made during the policy period.
- **Tail Coverage:** An extended reporting period endorsement ("tail" coverage) provides an additional amount of time in which a claim can be reported, even if the policy is no longer in effect.
- **Policy Premiums:** Discuss the policy premium with the insurer or agent. It is important to know what options are available and what happens if the policy is canceled. Make certain to clarify the date when the premium will increase and what will happen in the event of a claim.
- **Deductibles:** Discuss deductible options with

the insurer or agent. Some insurers provide a lower monthly premium for policies with higher deductible amounts.

- **Limits of Liability:** Professional liability policies typically have two sets of liability limits. The first is a per occurrence limit, which sets the terms for how much the insurer will pay for any one claim. The second is the aggregate limit which sets the limit for what the insurer will pay in total for all claims against the insured. Make certain your liability limits are adequate.
- **Classes or Programs:** Ask if the insurer provides risk management classes or programs. Attending these classes or programs may help lower your costs and reduce exposure to risk.
- **Employer Provided Coverage:** In situations where the APN is covered by an employer's policy, it is important that the APN fully understands the terms of the policy to assure adequate coverage.

Today's APN plays an integral and ever-growing role in the delivery of healthcare in a wide range of practice settings. With this increased role comes increased risk, and mistakes can happen, even to the best clinicians. Obtaining professional liability coverage will help protect the APN's interests and help safeguard their ability to practice. ♦

*Michele Satterlund is an employment and health care attorney with Macaulay & Burtch, P.C. in Richmond, Virginia. She can be reached by telephone at 804-649-8847 or by email at [msatterlund@macbur.com](mailto:msatterlund@macbur.com).*