

# TEN Questions Residents and Fellows Most Often Ask about their Malpractice Insurance

—Rick Almeida, Director, Insurance & Business Operations, Lifespan Risk Services

**Q** I know my malpractice (professional liability) insurance has been provided as part of my residency with Lifespan. What's the name of the insurance company?

**A** The insurance company name is R.I. Sound Enterprises Insurance Co., Ltd. (RISE), a wholly-owned subsidiary of Lifespan. This Bermuda-based company, founded in 1991, is called a "captive" insurance company because its primary obligation is to provide professional liability (malpractice) coverage to the Lifespan system. RISE insures all the Lifespan affiliates, employees, residents, fellows and some closely aligned physician groups.

**Q** How can I contact RISE?

**A** Because RISE is located in Bermuda, an organization called Lifespan Risk Services (LRS) was created here in Rhode Island to provide administrative services.

LRS personnel provide financial/insurance management, claims management, loss prevention, and education on behalf of RISE.

## **Lifespan Risk Services is located at:**

**167 Point Street, Suite 170  
Providence, RI 02903**

A customer service coordinator can be reached at 401-444-8273 to answer questions. Our fax number is 401-444-8963.

**Q** What do I need to know if I am staying within Lifespan facilities to do a fellowship?

**A** If you stay with Lifespan, your coverage stays the same as it was when you were a resident.

**Q** What if I'm going to a fellowship outside of Lifespan?

**A** If your fellowship is not in a Lifespan facility you will need to speak with your new program director at that facility to determine what your coverage will be. When you speak with them, you can tell them that **the coverage you have had with Lifespan will continue to cover you for claims or suits that arise from an incident that occurred while you were a resident at a Lifespan facility.**

As a condition of this coverage you will be required to participate in the investigation and defense of the claim or suit that occurred during your training at a Lifespan facility, even though you are no longer employed as a resident at a Lifespan facility. If your new program director needs more information, the LRS customer service coordinator can help.

**Q** I am going into private practice. What information will I need to apply for a full license?

**A** The state licensing board will require that you complete an application form and they will also require a claims history from your malpractice insurance company. You will have to provide the licensing board with a signed release that allows your insurance company to release claims information to the parties that you designate. The LRS customer service coordinator can help you with that process.

**Q** What information will I need to secure my own malpractice insurance coverage in my private practice?

**A** To secure malpractice coverage from a new insurance carrier, you will have to complete their application form and provide them with a claims history summary, as described in the previous answer.



**Lifespan  
Risk Services, Inc.**

[www.lifespan.org/risk](http://www.lifespan.org/risk)

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**Q** How can I decide what insurance company to choose?

**A** In most cases you will have to secure the services of an insurance agent/broker to purchase your malpractice coverage. They should be familiar with the companies that can be used. If you are going into private practice, ask colleagues in the same specialty about their insurance companies. Medical societies and licensing boards may be able to give you recommendations as well. If you will be seeking privileges at a hospital, ask their medical staff services representatives which companies are commonly used.

Please keep in mind that most hospitals now require that you have a specified amount of liability coverage to be eligible for a medical staff appointment. You will have to conform to that requirement.

Although the cost of the premium is important, you should talk to your insurance agent/broker to ensure that the company that you will be using is financially sound and well established. Inquire about their claims handling practices and whether they have a good reputation or not.

**Q** I have heard that there are different types of malpractice insurance. What are they?

**A** Professional liability (malpractice) insurance companies write two basic types of coverage, called **claims-made policies** and **occurrence policies**.

**Q** What's the difference?

**A** **Occurrence** insurance policies provide coverage for claims that occurred during the policy period, regardless of when the claim is made. Few medical malpractice insurance companies continue to write occurrence policies.

The type of policy more often available today is the claims-made policy, which is the type of policy issued by Lifespan's captive insurance company, RISE. A **claims-made policy** covers claims that are made during the policy period and that occurred since the policy *retroactive date* (which in your case would be the date your new policy begins).

Although policy definitions vary somewhat, most claims-made insurance policies consider a claim to be made when it is reported to the insurance company, subject to certain terms and conditions.

**Q** How do I know what I need?

**A** Either form of coverage should meet your immediate needs because your Lifespan coverage will respond to any claim that relates to your clinical activities on behalf of a Lifespan facility.

The Lifespan coverage provides an extended reporting endorsement to you that is often called "tail coverage."

Discuss your insurance needs with the insurance agent/broker that you will be using to ensure it is right for you.

You need to remember that if you select claims-made coverage in your new practice, you need to be certain that you secure "tail coverage" if you ever leave that insurance plan. The cost can be substantial and needs to be carefully coordinated.

The customer service representative at LRS is available to answer any specific questions you may have as you prepare for this important transition in your professional life.

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