

The Psychologists Board of Western Australia

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GUIDELINES FOR PROFESSIONAL INDEMNITY INSURANCE

Background Information for Applicants

Pursuant to Section 30 of The Psychologists Act 2005 “professional indemnity insurance” means professional indemnity insurance that meets the minimum terms and conditions approved by the Board. Section 26 of the Act provides for registration, Section 27 for provisional registration, Section 28 for conditional registration and Section 29 for specialist registration. Condition(s) imposed on registration relating to professional indemnity insurance may apply indefinitely or for a period of time specified by the Board.

If there are conditions on a psychologist’s professional indemnity insurance they will need to be declared and the Board may impose the same conditions. Psychologists who cannot obtain professional indemnity insurance can approach the Board for specific consideration of their situation. The Board will consider and assess each request on its merits.

The following guidelines have been developed to ensure that, at all times during practice, psychologists are covered by an approved level of professional indemnity insurance (ie that meets the minimum terms and conditions approved by the Board).

Prior to Registration

Applicants seeking registration may be required to provide the Board with the following undertakings before registration will be granted:

- (a) The applicant at all times during practice of their profession will abide by the Board’s ***“Guidelines for Professional Indemnity Insurance”***.

AND

- (b) That either:
 - at the time of application, the applicant has professional indemnity insurance, or is covered as an employee (the State Government provides cover for government employees), by professional indemnity insurance approved by the Board, or

- the applicant will not commence practice as a registered practitioner until his or her professional indemnity insurance has been approved by the Board.

AND

- (c) At all times during practice, the applicant will be covered by an approved level of professional indemnity insurance.

Risk & Practitioner Responsibility

Psychologists must, in consultation with their insurer/insurance broker, identify the risk exposure associated with their practice, and outcomes linked to long term care factors and ensure that the limit of indemnity is commensurate with those specific risks. Psychologists should also obtain their own advice about how much run off cover they require to ensure they are covered for claims brought against them many years later, ie how they are affected by the relevant legal limitation periods within which their former patients may sue them.

It is the responsibility of the psychologist to:

- examine the insurance policy to ensure that the cover obtained provides appropriate protection for risks arising from the provision of professional services;
- ensure that the Schedule prescribes the activities carried on to ensure that the cover is appropriate to the psychologist's business.

Approved Level of Cover

All psychologists are required to:

- be covered by an approved level of professional indemnity insurance prior to commencing practice as a registered psychologist, AND
- maintain an approved level of cover at all times during practice, OR
- maintain an approved level of cover for the period of time specified by the Board.

Approved Level of Cover

Currently, the Board has determined that the approved level of cover (ie the minimum sum insured limit of professional indemnity insurance required by the Board) is:

- No less than \$2 million cover for any single claim (ie for each claim) that may be made against the practitioner, with a minimum of one reinstatement of the limit in the annual aggregate.

The Board reserves the right to vary the approved level from time to time. Registrants may be covered either by their own or their employer's insurance policy, or as member/subscriber of a representative professional association arranging professional indemnity insurance cover on your behalf.

Currency of Insurance

All registrants must ensure that their professional indemnity insurance is current for their entire period of registration, or period of time specified by the Board.

Pursuant to Section 46 of the Psychologists Act 2005 the onus is on the registrant to advise the Registrar of the Board if the professional indemnity insurance is cancelled or if there is any change in the terms or conditions.

On application for registration, certified evidence of the following must be submitted:

- A copy of the Certificate of Currency from the insurance company or alternatively a Confirmation of Cover from an insurance broker. The Certificate of Currency must contain the following information:
 1. Name of the insurer
 2. Policy number
 3. Limit of indemnity:
 - a) for each and every loss, and
 - b) in the annual aggregate
 4. Deductible(s) (excess)
 5. Period of Insurance

On the request of the Board, the practitioner must provide, within 30 days, the full policy wording to enable the Board to determine whether an applicant has professional indemnity insurance that satisfies the Board's requirements.

Run-Off Cover

All registrants must ensure appropriate provision for a minimum of seven years run-off cover should they cease to practice. Some policies have run-off cover incorporated and you must ensure you meet the requirements for access to the run-off cover at the time you cease practice. In other cases you may need to maintain ongoing insurance.