

The Federation of Independent  
Practitioner Organisations

presents

**“PROFESSIONAL MEDICAL  
INDEMNITY  
A CHANGING SCENE”**

**Breakfast Meeting on  
Tuesday 18 October 2011**

*Speakers*

*John de Bono, Barrister,  
Serjeants' Inn*

*Dan Toner, General Counsel,  
Spire Healthcare*

*Richard Packard, Ophthalmologist,  
Vice Chairman of FIPO*

*Kevin McCluskie,  
Chartered Insurance Broker*

*Geoffrey Glazer, Surgeon,  
Chairman of FIPO*

**Max Rayne Auditorium**

**The Royal Society of Medicine  
1 Wimpole Street,  
London, W1G 0AE**

**This meeting is sponsored by HCA International  
and Spire Healthcare**

## Conference Background

This meeting will analyse the current status of professional medical indemnity for consultants set against a rising tide of complaints and litigation against the profession. The speakers will present the results of a new and detailed inquiry in to the whole market. The rising costs of indemnity for consultants, the risks and benefits of traditional and new insurers and the impact all this is having on both the NHS and independent sector will be analysed.

Although the system of indemnification is different in the NHS with the involvement of the National Health Service Litigation Authority there are clearly overlaps and this meeting should have relevance in both the NHS and independent sector.

This meeting should be relevant to Chief Executives, hospital managers, medical directors, MAC chairmen and consultants as well as the Medical Defence Organisations (MDOs), Royal Colleges and Specialist Associations, professional regulators (GMC and CQC), the legal profession engaged in clinical negligence, the Patients Association, the Private Patient Forum, Brokers, the Private Medical Insurers and healthcare political commentators.

In this meeting FIPO will present the results of its commissioned inquiry into Medical Indemnity for consultants and the role and functions of the Medical Defence Organisations (MDOs). A copy of this report will be distributed to attendees at this meeting. In addition FIPO has conducted an on line survey of consultants to test their understanding of their own indemnification and the risk/benefits they perceive from their MDOs.

This inquiry by a fully independent external expert was stimulated by the fact that medical malpractice insurance and premium rises are becoming a major concern for consultants and hospitals. These must be set against an increasing level of patient complaints and litigation and increasing awards being made by the Courts. Complaints to the GMC show a similar rise over recent years and these trends show no sign of peaking or falling

The 'traditional' MDOs, namely the Medical Defence Union (MDU), the Medical Protection Society (MPS) and the Medical Defence and Dental Union of Scotland (MDDUS) currently control about 97% of the market and account for an annual subscription of about £ 520 million (2009). The business models of the MDOs vary and they are not subject to the Financial Services Authority Regulation. The current reserves of the MDOs are not clear and it is uncertain if their liabilities (known as Incurred But Not Reported - IBNR) are fully covered.

In the last few years there have been some new commercial entrants in to the medical indemnity market who are offering indemnity products, some on a specialty basis. It is possible that a degree of increased competition will develop between the various MDOs with different approaches to risk stratification, financial reserves and support services and it will be hard to judge these factors dispassionately as much of the financial information of the MDOs is hidden.

Apart from these fundamental financial issues, consultants considering these new commercial or medical specialist companies must understand the background to their offers but our survey of more than 900 consultants shows that over two thirds do not understand the business models of the traditional and new entrants to this market. A similar number of consultants do not know their current limit of indemnity and do not understand the vital differences between "claims made" and "occurrence" indemnity or between "discretionary" and "contractual" indemnity.

Independent hospitals are starting to review their own positions and may have to adjust the rules governing practising privileges of consultants on a specialty basis because of the shared risks with consultants.

**CONFERENCE PROGRAMME**  
**“Professional Medical Indemnity**  
**A Changing Scene”**

**ROYAL SOCIETY OF MEDICINE ATRIUM**

**8.00 am Registration with continental breakfast**

**MEETING IN THE MAX RAYNE AUDITORIUM**

**8.45 am Welcome and Introduction**

*Geoffrey Glazer, Chairman of FIPO*

**8.50 am Medical Malpractice**

*John de Bono, Barrister, Serjeants’ Inn*

*What are the clinical negligence trends in the NHS and Independent Sector? What can be done to reduce claims incidence? What awards are being made? Is the legal advice being given to consultants generally appropriate? Why are legal costs so high?*

**9.05 am The Independent Hospital**

*Dan Toner, General Counsel, Spire Healthcare*

*What is the role of the private hospital in reducing negligence claims? What is the level of indemnity cover required for consultants and should this be specialty based? What is the hospitals liability in major damages? Are some specialties or individual cases becoming too risky for the hospitals?*

**9.20 am Consultants adrift?**

*Richard Packard, Ophthalmologist, Vice Chairman of FIPO*

*What does the FIPO consultant survey show? How much do consultants understand about their indemnification? Why are consultants moving to new insurers? What are consultants’ major concerns about their MDOs?*

**9.35 The FIPO Report on Medical Indemnity Organisations**

*Kevin McCluskie, Chartered Insurance Broker*

*How was the FIPO inquiry performed and what are the salient results? Can consultants be assured that they will have full indemnification? What are the predicted trends in costs of consultant indemnification? What is the future for the MDOs and can new entrants to the market provide a suitable and safe package for consultants? Where can consultants obtain advice?*

**10.00 am Panel discussion**

**10.30 am Meeting Ends**

The Federation of Independent Practitioner Organisations (FIPO) represents professional independent medical organisations and specialist groups in Britain. It provides guidance, policies and co-ordination to membership organisations, acting on behalf of the profession to advance the cause of independent health care.

FIPO promotes the highest standards of health care provision, achieved through robust clinical governance and audit, as well as expert, independent advice for best patient care and clinical outcomes.

FIPO CGAC (Clinical Governance Advisory Committee) has provided support and information to hospital Medical Advisory Committee Chairmen around the UK and has developed formal, professionally structured Guidelines to assist them in their role. FIPO is now actively involved in developing an appraisal system for consultants in the independent sector to accommodate changes anticipated with revalidation and is working with the GMC, NHS Revalidation Support Team and the major Royal Colleges in running a pilot study of appraisal.

More than twenty five professional medical organisations including Royal Colleges, the GMC and the Patients Association have signed the FIPO Charter for Patients and their Doctors, reaffirming their commitment to high-quality patient care. The Charter outlines the ethos governing each doctor's duties to their patients, the patient's rights, and the principles inherent in best medical practice, such as the GP to consultant referral pathway which can be seen here: <http://www.fipo.org.uk/docs/patientcharter.htm>.