

Insurance for the medical practices sector

What are the key risks in the medical practices sector?

The medical practices sector is complex and diverse, with businesses ranging from pharmacies to allied health clinics and from medical practices to private hospitals.

Depending on the nature of your business and its set-up, some of the key risks you face could include liability for mistreatment of patients, lost patient results or incorrectly dispensed medication, as well as the potential for damage to be caused to your premises, equipment and other assets, or a data compromise attack.

"More than 5,700 community pharmacies in Australia dispense over 211 million prescriptions, with a value of $10.6 billion."

The Pharmacy Guild of Australia, 2022

Who should consider insurance?

Whether you're running a pharmacy, private hospital medical centre or allied health clinic, in an industry with complex risks where no two businesses are alike, a range of flexible and customised insurance covers are required to protect your business, staff, assets and patients.

Did you know?

Data

Medical data is between ten and twenty times more lucrative than credit card or banking details.

(Medical Director, Why cyber attacks are on the rise in healthcare, 16th April 2021)

All health practitioners must have professional indemnity insurance that complies with the registration standard.

(Australian Health Practitioner Regulation Agency, Professional indemnity insurance arrangements, 2022)

In the event of a claim, both individual practitioners and the practice itself can be sued, so medical practices need their own insurance.

(TEGO, A guide to medical practice indemnity insurance, 2022)

What insurance should you take out – and what can it cover?

Insurance can protect you and your employees onsite, on the way to work and at work.

Type of cover	Potential benefits
Business Pack	Helps safeguard your business premises and contents against: • damage caused by fire, storm or accidental damage • equipment or machinery breakdown • employee dishonesty • glass damage • legal issues, such as with public and products liability • tax audits • theft, and theft or loss of money • business interruption.
Public and product liability	Can cover claims against you if it's found that a negligent act by your business or its products results in personal injury or property damage. Professional Indemnity policies should be taken out with the same company.
Professional indemnity	Can cover you and your employees against allegations or claims of financial loss due to injury or damages that have resulted from a negligent act, error, omission, malpractice or breach of duty that has arisen out of your professional capacity. Public and Product Liability policies should be taken out with the same company
Cyber	Helps safeguard you and your business against expenses and legal costs if your website or other systems are hacked and your system cannot be used or patient details are stolen.
Management Liability	Covers the costs of defending directors, managers and employees against any claims that are the result of their actions or decisions. Can protect you against legal action for a breach in relation to an employee.
Workers Compensation	Can cover the cost of your employees' wages, rehabilitation and medication if they become sick or injured through their work.

Limits, excesses and exclusions

Policy exclusions, the excesses you need to pay and limits of liability can vary greatly depending on your insurer and the requirements of your business.

Case Study

One of the MRI machines at Susan's medical imaging practice broke down and was unable to be repaired. Unfortunately, due to supply chain issues it took over six months to get a replacement machine shipped and installed. However, as Susan had taken out business interruption cover as part of her business pack insurance, not only was the cost of the new machine covered, but Susan was also covered for lost income as a result of the outage.

Contact us today

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