SINCE 1941

HEALTH PROFESSIONS INDEMNITY

Frequently Asked Questions

Health Professions Indemnity

The strategic objective is to provide comprehensive quality indemnity protection, delivered through excellent service, at a fair premium to ensure long-term sustainability.

FOR PROFESSIONALS

Product overview and cover

WHAT ARE THE BENEFITS OF PPS HEALTH PROFESSIONS INDEMNITY COVER?

Comprehensive protection: PPS Health Professions Indemnity offers comprehensive indemnity cover for health professionals, including:

- Medico-legal advice
- HPCSA complaints and investigations
- Judicial inquiries
- Patient claims for damages
- Criminal matters related to clinical practice
- Requests for medical records

Sustainable, long-term cover: The cover extends during and after your clinical career, including retirement, disability or death at no additional cost if certain conditions are met. You have the right to request the Reporting Endorsement benefit for ongoing cover after termination of active cover for late-reported claims.

Expert legal support: PPS Health Professions Indemnity employs leading medico-legal experts and partners with top legal firms. They do not settle claims without merit, helping to maintain professional integrity and reduce unnecessary litigation.

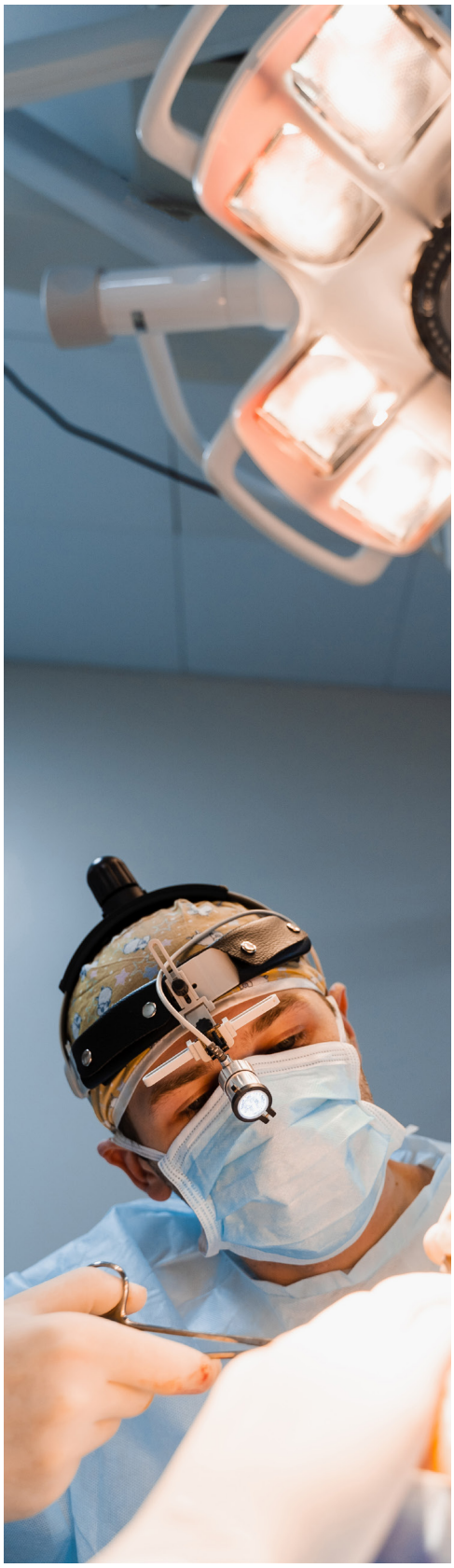
Mutuality and Profit-Share: As a company operating on the ethos of mutuality, PPS shares its returns with its members. If you hold a qualifying PPS life-risk product, you will be eligible for allocations to your PPS Profit-Share Account™ as well as additional allocations thanks to the PPS Profit-Share Cross-Holdings Booster**.

Trusted brand: With more than 85 years of experience, PPS remains a trusted name among South African graduate professionals, offering peace of mind and stability.

Personalised and active engagement: Direct access to senior PPS Health Professions Indemnity staff, ensuring responsive support during legal or professional challenges, with ongoing involvement in your professional journey.

Contract certainty: PPS Health Professions Indemnity can never do less than what we said we will do. Your rights are protected through access to the Ombudsman and the South African legal system.

Reporting obligation: Self-reporting of all possible negative outcomes is not a pre-requisite for cover.



* The PPS Profit-Share Account™ reflects the accumulated value of annual profit allocations made to members who hold qualifying products. These amounts are invested on the member's behalf and vest at retirement, death or in other limited circumstances permitted under the qualifying insurance policy terms and conditions. Allocations may be positive or negative depending on operating experience and investment performance, and past allocations are not necessarily indicative of future outcomes.

** The PPS Profit-Share Cross-Holdings Booster is tiered according to the number of products a member holds across PPS subsidiaries and affiliates, provided that they hold a qualifying PPS life-risk product. The Booster allocations may differ each year and allocations can take place annually, which will be dependent on the profitability of PPS and its subsidiary/affiliates' products. PPS reserves the right to discontinue this offering at its own discretion.

DO YOU HAVE ENOUGH INDUSTRY EXPERIENCE WITH CLAIMS?

PPS Health Professions Indemnity is a product of the PPS Group with a rich history since our inception in 1941. The Group focuses on enabling long-term financial security and sustainability for its members through a model based on shared success. The product is underwritten by PPS Group on its PPS Short-Term Insurance licence, offering the trusted security that comes from more than 85 years of serving the financial interests of its members. We understand that the emotional distress complaints and claims cause. Claims without clinical merit are not settled to avoid undermining the system and increasing litigation risk. PPS Health Professions Indemnity employs leading medico-legal experts with more than 60 years of combined experience and partners with reputable legal firms for external representation when needed.

ARE "GOOD SAMARITAN LAW" COVERED?

Our policy covers "Good Samaritan Law", which include professional services provided at the scene of a medical emergency, accident or disaster. This ensures that you are protected even when providing emergency treatment outside your usual scope of practice. The indemnity covers Good Samaritan Law both within and outside South Africa.

WHAT IS THE ANNUAL LIMIT OF INDEMNITY?

The limit of indemnity for medical practitioners and specialists is R50 million per incident and R50 million in the annual aggregate. The limit of indemnity for allied health care practitioners and pharmacists is R5 million per individual incident and R10 million in the annual aggregate.

WHY DO YOU NOT OFFER DIFFERENT LIMITS OF INDEMNITY?

Offering lower cover limits at reduced premiums is not part of the PPS Health Professions Indemnity strategic objective of offering quality comprehensive indemnity protection at a fair premium. Offering lower limits of indemnity exposes our members to the risk of cover exhaustion.

IS THE COVER OCCURANCE OR CONTRACTUAL? WHAT DOES THAT MEAN IN PRACTICE FOR CLAIM APPROVAL?

PPS Health Professions Indemnity cover is provided on a claims-made basis of insurance. This means that you must have active insurance cover with us both at the time of treating the patient and at the time of reporting a covered incident, for the insurance cover to respond. However, please refer to the Reporting Endorsement benefit question (Policy Structure and Terms) for details of the extended cover after the termination of active cover.

In addition, as we are a registered insurance company in South Africa, our members have access to the insurance ombudsman and South African legal system to lodge complaints and resolve disputes. This is not available with an international unregistered voluntary member organisation. As we provide an insurance product, we can never use our discretion against you. Our insurance contract establishes the minimum we must do for you.

ARE THERE CLINICAL EXCLUSIONS?

While we do not have any sub-limits or exclusions on our policies, we will only provide cover that falls within your Professional Councils-approved scope of practice.

DO YOU COVER TELEMEDICINE?

Yes, PPS Health Professions Indemnity covers telemedicine, according to the HPCSA's ethical guidelines.

DO YOU COVER HEALTH CARE PROVIDERS PRACTISING ACROSS SOUTH AFRICAN BORDERS?

The legal systems of different countries can vary significantly. Therefore, we currently cover health care providers practising within South Africa and Namibia, or in the SADAC region with special approval. We do not provide cover for treatment given outside these areas. If a foreign patient is treated within the borders of South Africa or Namibia, we will provide cover.

LEGAL SUPPORT AND CLAIMS PROCESS

WHAT LEGAL SUPPORT DO YOU PROVIDE IN CASE OF A CLAIM?

The cover caters to liabilities arising from your insured clinical practice. We cover matters including:

- Medico-legal advice
- HPCSA complaints and investigations
- Judicial inquiries
- Patient claims for damages
- Criminal matters related to clinical practice
- Requests for medical records

IS THERE A DEDUCTIBLE/EXCESS PAYABLE WHEN A CLAIM IS MADE?

No, our standard solutions come with zero excess, meaning you are covered from the first rand spent, protecting you when an insured incident is reported to us. We employ deductibles as a tool for specific policies to find a balance between risk and premium, and typically only in consultation with the applicant insured professional.

WHAT IS PPS HEALTH PROFESSION INDEMNITY'S STANCE IN THE EVENT OF CRIMINAL ALLEGATIONS RELATED TO CLINICAL PRACTICE?

PPS Health Professions Indemnity will provide legal assistance and support in the event of a criminal matter resulting from clinical practice provided there is no evidence of criminal intent.

Our philosophy is to support members unless there is evidence that the member acted unlawfully or unethically intentionally as this may void the terms of the policy.

DO I NEED TO REPORT ANY INCIDENTS?

Self-reporting is not a prerequisite for cover. A claim will be covered if there was active insurance both during the clinical treatment and at the time the claim is reported, or through the Reporting Endorsement benefit. This feature was crucial during development, as it is unrealistic to expect doctors to always identify the specific incident that might lead to a claim.

We encourage self-reporting of adverse outcomes to better protect our insured professionals. It also provides useful statistical data to better understand the development of claims over time.

POLICY STRUCTURE AND TERMS

WHAT HAPPENS WHEN ACTIVE COVER IS TERMINATED?

Included with every policy is the contractual Reporting Endorsement benefit. This provides you, the insured professional, the contractual right to take up this benefit on termination of active cover. The Reporting Endorsement benefit provides continuation of cover for incidents. In practice, this converts the claims-made basis of insurance into an occurrence-based policy.

Through the Reporting Endorsement benefit contract, you have the indefinite right to request assistance. While it is true that our policy is a claims-made policy, which traditionally requires cover both when treating the patient and at the time of reporting the incident, every member has a contractual right to request a Reporting Endorsement benefit. This can be issued free of charge under specific conditions, such as the death, retirement, or disability of the insured professional, ensuring continued cover for incidents that occurred prior to the policy termination date but are reported afterwards. For retirement, there is the added requirement that you had to have been an active insured professional on a PPS health Professions Indemnity Policy for a minimum of seven years.

IS THERE A LIMIT TO THE COVER PROVIDED UNDER THE REPORTING ENDORSEMENT BENEFIT?

Yes, there is. The cover limit of indemnity under the Reporting Endorsement benefit on a per-incident basis is the same as under your terminated active cover that gives rise to the Reporting Endorsement benefit. Similarly, the aggregate limit for all incidents reported under the Reporting Endorsement benefit is capped at the same amount as the per annum aggregate limit under your terminated active cover.

IF I AM SWITCHING FROM ANOTHER PROVIDER, IS RETROACTIVE COVER INCLUDED?

Yes, we do provide retroactive cover, provided there was active indemnity protection during the requested retroactive period. You only require retroactive cover if your previous cover was on a claims-made basis.

POLICY STRUCTURE AND TERMS (CONTINUES)

WHAT IS THE COST ASSOCIATED WITH THE REPORTING ENDORSEMENT BENEFIT?

For most typical life events, the Reporting Endorsement benefit is provided at no additional cost. This includes death, permanent disability and retirement. For retirement, there is the added requirement that you must have been an actively insured professional on a PPS Health Professions Indemnity policy for a minimum of seven years. In all other cases, we have the right to determine a risk-based premium for the Reporting Endorsement benefit, which is paid once off.

HOW IS THE COST OF THE REPORTING ENDORSEMENT BENEFIT DETERMINED?

A risk-based premium is determined. The main factor considered is the maturity of your risk profile with PPS Health Professions Indemnity, i.e., the risk of late-reported claims after termination of active cover. Generally, there is a larger risk where patients include minors or those with mental incapacity. Similarly, the risk profile of surgical disciplines matures more slowly.

FOR HOW LONG IS THE REPORTING ENDORSEMENT BENEFIT ACTIVE?

The Reporting Endorsement benefit does not have an expiry date and remains active until the right of your last patient attended to expires. Please note that you have 30 days after the termination of your active cover to exercise your contractual right to the Reporting Endorsement benefit.

IF I STOP PRACTISING (E.G., RETIRE, EMIGRATE, DIE), WILL I HAVE RUN-OFF COVER?

Yes, through the Reporting Endorsement benefit you have an indefinite right to request assistance. While it is true that our policy is a claims-made policy, which traditionally requires cover both when treating the patient and at the time of reporting the incident, every member has a contractual right to request a Reporting Endorsement benefit. This can be issued free of charge under specific conditions, such as the death, retirement, or disability of the insured professional, ensuring continued cover for incidents that occurred prior to the policy termination date but are reported afterwards. For retirement, there is the added requirement that you had to have been an active insured professional on a PPS health Professions Indemnity Policy for a minimum of seven years.

IS THERE ANY WAITING PERIOD BEFORE CLAIMS CAN BE SUBMITTED AFTER JOINING?

No, we do not impose any waiting period.

WHEN IS IT ADVISABLE TO REQUEST RETROACTIVE COVER?

Where applicants are switching from an existing claims-made basis of indemnity protection, it is advisable to consider the need for retroactive cover to cater for late-reported claims not previously reported to your previous indemnifier. Most other indemnity products providing a claims-made basis of cover do not provide a mechanism to benefit from cover for late-reported insured incidents following termination of active cover. This exposes the applicant to financial risk. This is one aspect that sets PPS Health Professions Indemnity apart from other claims-made cover offerings.

ARE LOCUMS AND ADMINISTRATIVE STAFF COVERED UNDER MY POLICY?

The cover provided to an insured professional shall also cover one or more properly licensed individuals who serve in the capacity of a temporary substitute or locum in place of the insured professional for not more than 20 days during the policy period; provided that any individual who serves in such capacity in place of multiple insured professionals shall be covered for no more than a total of 30 days during the policy period. Full-time employees need to take responsibility for their own cover either through individual policies or the PPS Health Professions Indemnity Group Cover benefit.

IF I WORK IN STATE/GOVERNMENT HOSPITALS, DOES THE STATE'S INDEMNITY COVER ME IF I AM EMPLOYED AS A VOLUNTEER OR LOCUM?

The primary legal action will be initiated against the State, which will be responsible for settling the claim. However, should the State subsequently pursue a secondary action against you. It is unlikely that any assistance will be provided for action brought against you in your individual professional capacity e.g. HPCSA disciplinary matters. PPS Health Professions Indemnity will intervene to provide cover on your behalf.

I WORK WITH A CHARITY ON SHIPS THAT RUN SURGERIES IN DIFFERENT AFRICAN COUNTRIES. WOULD IT BE POSSIBLE TO BE COVERED BY PPS HEALTH PROFESSIONS INDEMNITY FOR THIS VOLUNTEER WORK?

The primary legal action will be initiated against the Ship, which will be responsible for settling the claim. However, should the Ship subsequently pursue a secondary action against you, PPS Health Professions Indemnity will intervene to provide cover on your behalf. The Ship will be required to file the claim against you in South Africa.

SUPPORT AND ENGAGEMENT

DO YOU ONLY OFFER ADVICE VIA A CALL CENTRE?

No, you are not going to receive better service than with PPS Health Professions Indemnity. Our members have direct access to our most senior resources, including the CEO and CMO.

DO YOU PROVIDE CPD ETHICS POINTS DURING THE YEAR?

Yes, we offer a range of CPD-accredited talks at regular intervals.

PREMIUMS, VAT AND TAX

IS THE QUOTED PREMIUM ANNUAL OR MONTHLY?

The quoted premium is an annual amount and includes VAT.

WHAT PAYMENT METHODS ARE AVAILABLE AND WHAT ARE THE TERMS?

We accept premium payments by debit order. There are three standard options available to all policyholders. Premiums can be paid in a single amount or in monthly instalments (ten or 12 months). The standard debit order date is either the 1st, 15th, 25th or the last day of each month.

IS THERE A DIFFERENCE IN THE PREMIUM DEPENDING ON THE PAYMENT TERM OPTED FOR?

No. The quoted premium remains unchanged as it is not influenced by your choice of payment terms.

WHAT HAPPENS IF THE DEBIT ORDER DATE FALLS ON A SUNDAY OR PUBLIC HOLIDAY?

Where the agreed debit order date falls on a Sunday or Public Holiday in South Africa, the debit order will be moved to the next business day.

CAN I CLAIM THE PREMIUM AS A DEDUCTION AGAINST TAXABLE INCOME?

Yes, typically professional indemnity insurance premiums qualify as an expense incurred in the production of taxable income and can be claimed as a deduction for income tax purposes.

CAN I CLAIM BACK THE VAT INCLUDED IN THE PREMIUM?

It depends on your VAT status. Registered VAT vendors can claim the VAT included in the premium as input VAT. As a South African short-term insurance product, you can claim back VAT input costs.

DO I NEED A VAT INVOICE?

No, you do not need a VAT invoice to claim the input VAT. In terms of a ruling issued by SARS, the policy documents together with proof of payment of premium constitutes and alternative to a tax invoice, debit note or credit note as contemplated in section 20(7) and 21(5) of the VAT Act, respectively, and supersedes any policy documentation or renewal notice issued by insurers for this purpose.

WILL MY PREMIUM INCREASE ANNUALLY?

The expectation for annual premium increases is CPI + 2% to 3%, reflecting our professional cost base (legal defence costs and medical costs). However, this is dependent on a multitude of observable market information and assumes a constant individual risk profile.

GROUP COVER

WHAT ARE THE BENEFITS OF GROUP COVER?

Our Group Cover wraps the entire practice, including practice managers, clinical practitioners and the business entity itself, under one policy umbrella.

- It is ideal for practices with multiple clinicians or practitioners, ensuring seamless protection for everyone involved.
- We cover sole practitioners, incorporated companies, partnerships and more.
- With 100% cover of individuals working within the practice through PPS Health Professions Indemnity, we provide free cover for the group entity, eliminating the need for a separate limit of indemnity.
- If some practitioners are covered elsewhere or not on the policy, the entity can still qualify for cover with its own limit of indemnity and premium, ensuring comprehensive protection.
- Group policies can be tailored to maximise returns on existing PPS Profit-Share Accounts™*.
- The insurance cost (premium) of Group Cover qualifies as a section 11(a) income tax deduction for the practice entity.
- Being a South African registered short-term insurance product, practice entities registered as VAT vendors can claim back the VAT included with the premium as it is paid.

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DO YOU OFFER GROUP COVER?

Yes. At PPS Health Professions Indemnity, we understand the dynamic needs of modern medical practices and we are committed to providing tailored insurance solutions to meet the evolving needs of professionals. Our PPS Health Professions Indemnity Group Cover is the trusted choice for practices.

PROFIT-SHARE AND MUTUALITY

WHAT IS THE PROFIT-SHARE ALLOCATION RATE ON PPS HEALTH PROFESSIONS INDEMNITY?

The allocation to existing PPS Profit-Share Accounts™* is determined annually based on the financial performance of the underlying insurance portfolio. The long-term expectation for allocations on the PPS Health Professions Indemnity product is 2% to 6% of premium per year.

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DOES PPS HEALTH PROFESSIONS INDEMNITY QUALIFY UNDER THE PPS CROSS-HOLDINGS BOOSTER?

Yes. PPS Health Professions Indemnity operates under the PPS Short–Term Insurance License and the PPS Profit-Share Cross-Holdings Booster** is allocated at the license level. Qualifying members will receive only one tier boost across all products held under the PPS Short-Term Insurance license.

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OTHER QUESTIONS

WHAT IF A CLAIM EXCEEDS THE R50 MILLION COVER LIMIT? WILL PPS ASSIST IN THE REMAINDER OR WILL IT BE FOR MY ACCOUNT?

Yes, where a claim exceeds the maximum cover limit, the excess will be borne by the insured professional.
As an organisation operating on the ethos of mutuality, PPS Health Professions Indemnity is serious about providing our members with comprehensive cover under all reasonably foreseen circumstances. Cover exhaustion is a risk we do not want our members to worry about. It is for this reason that we continuously monitor the litigation landscape to identify whether a revision to our offered cover limits is required. Factors considered include actuarial analysis and changes in claims trends (frequency, severity, success rates). It is our job to ensure that you are appropriately covered.

In the unlikely event that you do suffer cover exhaustion in a specific cover year, we do have discretion to assist above what we are contractually obligated to pay.

WHAT ABOUT CANCELLING MY COVER?

No matter the reason for the termination of your active PPS Health Professions Indemnity cover, you retain the contractual right to the Reporting Endorsement Benefit. To exercise this benefit, you must provide us with written notice confirming the date on which the cancellation is to take effect.

WHAT IS THE DIFFERENCE BETWEEN CLAIMS-MADE AND OCCURRENCE-BASED?

Claims-made cover: Claims-made policies provide cover for incidents that are reported while the insurance is active. For indemnity cover to apply, cover must be in force both when the patient is treated and at the time the incident is reported. Upon termination of cover, reporting endorsements/run-off cover may be offered to extend protection for claims reported after the policy has expired.
Occurrence-based cover: Occurrence-based policies cover incidents that occur during the policy period, regardless of when a claim is made. This means that the policy will cover any claims that arise from incidents that occurred while the policy was in effect, even if the claim is made years later, after cover has terminated

WHAT IF I FEEL THE REPORTING ENDORSEMENT BENEFIT PREMIUM IS UNFAIR?

As a South African registered insurance product, you have full access to regulatory and legal remedies if you believe you have been treated unfairly. The first step is to approach the independent PPS Internal Arbitrator.

HEALTH PROFESSIONS INDEMNITY

CONTACT DETAILS

For more information or assistance from **PPS Health Professions Indemnity**

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