

# Nurses' Professional Liability Insurance

## A Critical Component to a Successful Career

### Why do I need an individual professional liability insurance policy?

There is a misconception in the healthcare community that only doctors and hospitals get sued for medical malpractice. That's not true. When a patient is injured everyone involved in the case is typically named in the lawsuit—including nurses.

*"In healthcare liability, all healthcare providers are considered individually licensed professionals,"* said Edie Brous, R.N., Esq., a past president of The American Association of Nurse Attorneys. *"They are all responsible for their own work. All of them can be held accountable. And they can all be sued."*<sup>1</sup>

The average cost to defend a nurse against a malpractice lawsuit is \$37,084. That's only the legal expenses. If determined to be negligent, the average cost of legal fees plus the settlement or judgment is \$201,670.<sup>2</sup> Having an individual policy offers you the peace of mind that your finances are protected.

### Won't my employer's insurance policy cover me?

Yes it will; while you are at work. Relying on your employer's professional liability coverage has its disadvantages.

- Your employer's insurer will put your employer's interests first—not yours
- Your employer's coverage is effective only at your place of employment
- It does not cover Good Samaritan aid or volunteer activities
- You may have to share limits of liability with other defendants, leaving you under-insured
- If a court judgment exceeds your employer's limits, you may be responsible for the difference

Having your own individual coverage through NSO gives you malpractice protection that *puts your interests first*, 24 hours a day, 365 days a year, regardless of whether you are on the job or off.

### Will my employer-provided coverage defend me from a license complaint?

Employer-provided policies lack coverage for complaints made with your state board of nursing (often times the employer is the one making the complaint!). This can be an important gap in coverage, as there are *thirty times more licensing actions* filed against nurses than malpractice claims.<sup>3</sup>

*"You have the right to go to your licensing board unrepresented, which we call 'pro se.'"* said Edie Brous. *"That's not a good thing to do. You wouldn't take out your own appendix and you probably shouldn't represent yourself in a legal proceeding either. Your personal policy will have [licensing protection] as a benefit, and your employer's coverage will not."*

Lose your license and you lose your ability to practice nursing. The policy offered through NSO includes \$25,000 of License Protection for the defense of disciplinary charges. It also includes coverage for legal representation at a deposition, HIPAA fines and penalties, and other expenses that may not be covered by your employer's malpractice insurance.

### Does having my own individual policy make me a target for a lawsuit?

What makes you a target is whether or not you may have been responsible for causing a patient's injury, not whether you have insurance. The plaintiff's attorney will not know whether or not you have insurance until after they file the lawsuit.



*“Plaintiff’s lawyers are not going to find out until the discovery phase,” said Brous. “Just because a [healthcare] provider is uninsured, does not mean they are going to be dropped from the case.”*

Should a jury decide against you, a court order will result. If you or your insurer does not pay the court order, this can create an unsatisfied judgment.

*“An unsatisfied judgment against you,” said Brous, “is much more damaging to your credit than bankruptcy. You’re never going to get a mortgage or a loan. They can make a motion to enforce that judgment. When they do that, it means your wages can be garnished.”*

### ▶ **I work for several different employers. Will that affect my coverage or rate?**

No, your policy is designed to provide coverage for you anywhere you work within the scope of your license. If you work multiple jobs, it is not necessary to record worksites on your policy and there is no additional premium. You are safeguarded 365 days a year, 24 hours a day within the states you are licensed.

### ▶ **I am not going to be working for a while. Should I keep my coverage?**

Whether you are retiring or on maternity leave, if you still hold an active license you are held to a higher standard of care. If you plan on keeping your license, you are responsible for anyone to whom you give medical advice, so you should keep your insurance. A good solution is to take advantage of NSO’s Retirement/Leave of Absence Discount, which saves you 50% on the annual premium.

### ▶ **How do I know that Nurses Service Organization is a company I can trust?**

NSO is a strong advocate for the nursing community. Our Nurses Advisory Board is made up of leaders within the nursing community, who keep us apprised of emerging risks in the nursing profession, helping us to keep our program up-to-date with your needs.

- NSO has a 40-year history of meeting the insurance needs of nursing professionals
- More than 500,000 nurses and 25,000 nurse practitioners put their trust in NSO
- Over 35 state and national professional nursing associations refer us as their preferred provider
- Our insurance coverage is underwritten by CNA, who has an A (Excellent) rating from A.M. Best

**For additional information, contact:**



**800.247.1500 • [www.nso.com](http://www.nso.com)**

<sup>1</sup>“Common Questions About Medical Malpractice Insurance,” NSO, [www.nso.com](http://www.nso.com), 2012.

<sup>2</sup>“Nurse Professional Liability Exposures: 2015 Claim Report Update,” NSO, CNA, [www.nso.com](http://www.nso.com), 2015.

<sup>3</sup>Between 2011-2015 there were 3,498 nurses malpractice claims reported to the federal government versus 113,607 licensure disciplinary actions. National Practitioner Data Bank, Department of Health & Human Services, HYPERLINK “<http://www.npdb.hrsa.gov/>” [www.npdb.hrsa.gov](http://www.npdb.hrsa.gov/), January 2017.

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