



# TAIL COVER

*explained*

Tail cover is probably the number one fear that GPs have when changing indemnity provider from a claims-occurred provider to a claims-made one. However, when it is explained, it is not as daunting or as expensive as you might think.

Let us examine the types of Professional Indemnity Cover currently available for GPs in Ireland.

## CLAIMS-MADE

A claims-made insurance policy, which is the type we offer, provides cover for those events and claims that occur and are reported while the policy is in effect. All coverage ceases on the date the policy is terminated and hence you must ensure you have tail or run off cover to deal with claims that may arise once you retire or leave practice.

## CLAIMS-OCCURRED

Occurrence-based cover indemnifies events that happen during the period the claims-occurred policy is in effect, regardless of when a claim is filed, even if you are no longer covered by that claims-occurred indemnifier.

## THE COST OF PROFESSIONAL INDEMNITY COVER

Research indicates that claims-made policies are substantially cheaper than occurrence policies. For instance, the Medisec Master Policy, underwritten by Allianz plc, offers full cover including unlimited out of hours sessions at €5882.34\* per year. We understand that the claims-occurred cover options available in Ireland are substantially more expensive.

However, when comparing both options you must factor in the tail or run off costs of a claims-made policy. At Medisec, we reward loyalty and for members who join Medisec prior to their 55th birthday and retire at the normal state retirement age, free tail cover is currently provided by Medisec.

For those who have not been with us for such a time or decide to retire early or discontinue availing of the Medisec scheme, for instance if they decide to emigrate, tail cover based on current rates stands at circa €15,000 and is paid in instalments over an 8 year period and covers any claim/event at any time after their retirement or leaving our scheme.

New members inform us that these figures give peace of mind and a realisation that paying for tail cover may not be as painful as they initially think, as, within two or three years, they can recover such cost on the savings they make on their annual subscription if they move from a claims-occurred policy to Medisec.

We've talked about the cost and the myths surrounding tail cover. But if you talk to any of your colleagues who are Medisec members and who have used our services, they will say that the most important aspect of our offerings has not been the cost factor, but the support they receive at a very stressful time, which comes from an experienced team based in Ireland and therefore understands the challenges faced by GPs working in Ireland today.

\*Current quoted rates as at July 2017 which are subject to annual change.