

Response to Consultation Paper 11

Exposure Draft: Revised Standard and Guidelines on professional indemnity insurance for psychologists

Submitted on behalf of the Area Psychology Advisors Group of NSW Health

Many thanks for allowing the opportunity to comment upon this consultation paper. I write as a representative of the Area Psychology Advisors Group of NSW Health and on behalf of psychology staff of NSW Health.

Many psychologists employed within NSW Health have concerns regarding their capacity to meet the PII standard as it currently stands and unfortunately, in our opinion, the revised PII draft has not sufficiently addressed these concerns. In particular, the issues of run-off and unlimited retroactive cover are unresolved for long-term employees of NSW Health. NSW Health has stated that it provides PII coverage to employees from 1986.

The revised guideline has addressed public sector issues in part, stating;

“Public sector employers are more likely to have occurrence-based PII arrangements, or to self-insure. As a result, it may be difficult or impossible for public sector PII arrangements to have PII that includes retroactive and/or run-off cover, although there is no practical difference in the cover provided. Therefore employer-based PII arrangements may not specifically include retroactive and/or run-off cover but the occurrence-based policy effectively provides cover that is equivalent to a policy that includes retroactive and run-off cover.” (Attachment C, p.2)

However, the guideline also notes that;

“An occurrence policy provides indemnity for any incident which occurs during the coverage period, regardless of when a claim is made, even if the policy is not renewed. As a result, run off and/or retroactive cover is not relevant or necessary for occurrence based PII as long as it has been maintained from commencement of practice.”

This highlights the requirement for coverage to exist, “from the commencement of practice”.

As PII cover of psychologists employed by NSW Health did not exist prior to 1986, psychologists employed prior to that date have no employer-based unlimited retroactive PII for their early years of practice. For those employees who have not concurrently undertaken private practices throughout their career, there appear to be no alternative private insurance options which might provide coverage for pre-1986 work. Similarly, long-term employees who conducted some private practice work throughout their careers may not hold private insurance if this occurred prior to such cover becoming a mandatory requirement for registration.

The current unlimited retrospective PII requirement of the guideline is discriminatory to longer-term employees and appears to place them in a ‘no-win’ situation.

We ask that the Psychology Board of Australia directly address the issue of long-term public sector employees by modifying the 'unlimited' retrospective PII requirement to align with the retrospective cover timeframe provided by NSW Health, that is, from 1986.

Vida Bliokas
Chair, NSW Area Psychology Advisors Group
Vida.Bliokas@sesiahs.health.nsw.gov.au

27 October 2011