

**Attention: Chair Psychology Board of Australia**

The VMIA have read and considered the Consultation Paper version 8: Proposed revisions – professional indemnity insurance arrangements registration standard issued by the Psychology Board of Australia under the authority of Professor Brin Grenyer, Chair and provide the following comments:

1. The proposed revisions go a long way to address all of the issues previously raised with AHPRA last year regarding the concerns received from psychologists employed within the public healthcare system.
2. The general issue of the definition of ‘civil liability cover’ has been addressed under scope of cover, however, this has not been defined and consequently can be interpreted widely and may have varying meanings with different insurers. The current VMIA medical indemnity policy is based on ‘liability to pay’ compensation being sought by a third party. Therefore there must be a claim for compensation received from a third party for the VMIA policy to respond.
3. The definitions of run off and retroactive cover need to be amended to include a reference to occurrence based cover and that these terms are not relevant where occurrence based cover has been issued.
4. The VMIA medical indemnity policy is subject to policy terms, conditions and exclusions (as with other market policies). Professional indemnity and medical indemnity insurance policies are not prescribed products under the Insurance Contracts Act and therefore there are no minimum requirements at law in respect to such terms, conditions and exclusions. Therefore these terms, conditions and exclusions (and definitions) will vary between insurers and minimum or nil guidance is given under the proposed new professional indemnity insurance standard for psychologists.

We are of course happy to discuss any of the above further and look forward to hearing from you.

In the meantime, we should mention that the VMIA only received notification of this proposed revision on 21 February and understand that it was released in December 2010. We should therefore be grateful if the VMIA are included in all future notifications or updates when these are released and included as part of the peer review process as originally agreed with AHPRA.

Yours sincerely,



Claudio Battilana  
Chief Operating Officer