

_Rosemary Kelly

From: _Rosemary Kelly
Sent: Monday, 1 March 2010 11:24 AM
To: chair@psychologyboard.gov.au
Subject: Professional Indemnity Insurance - Psychologists
Importance: High

Dear Dr Greyner

I am the Executive Officer of the Victorian Psychologists Association (VPA).

The VPA has a group professional indemnity insurance scheme which covers our psychologist members (and also dietitians, medical scientists, medical physicists and other science-trained members of the Medical Scientists Association of Victoria). This scheme has been in place for many years and pre-dates my time at the VPA (ten years).

The VPA made a submission to the Psychology Board of Australia in relation to the recognition of Union Professional Indemnity schemes, and noted that other Boards have recognised these group PI schemes, as well as employer schemes, as satisfying registration requirements.

We are most concerned that the Psychology Board of Australia in its submission to the Ministerial Council has *not* included group PI schemes such as the VPA scheme, at the same time as it has recommended other group schemes (ie employer schemes).

We are aware of assertions being made by other parties that group schemes are problematic allegedly because "when the money runs out" the schemes will not be able to pay out. This is absolutely false.

Our scheme is with Vero Insurance Limited ABN 48 005 297 807 and provides covers professional malpractice insurance and public liability insurance with unlimited retroactive cover and extended continuous cover. The insurance is renewed annually and applies to all financial members of the VPA. By way of example, Vero recently instructed solicitors to act for a member who was among a number of health practitioners being taken to court in a matter involving gender reassignment in relation to advice that she is alleged to have given more than 15 years ago. The costs were in the order of \$50,000 and the case was ultimately dismissed.

If the VPA scheme is not accepted by the Psychology Board of Australia this will have a significant cost impact for our members in that they will have to pay additional PI premium costs, for no additional benefits.

Not recognising the VPA (and other Union schemes) appears to us to also breach competition policy.

Unlike the arrangements which other associations have with insurers, the VPA does not receive any commission or other payments from the broker or the insurance company.

We have not received any correspondence from the PBA as to why Union or Professional Association Group policies have been excluded from the Board's recommendations to the Ministerial Council, despite having made a formal submission in response to the discussion paper.

I would appreciate the opportunity to discuss this very important issue with you as a matter of urgency.

I can be contacted on 9623 9625.

Rosemary Kelly

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