



## Information Update: Medical Indemnity

**18 October 2017**

Message from the BMA

As you will be aware, following the Department of Health announcement of a state backed indemnity scheme last week, MDU advised that its membership benefits for GPs working under an NHS England contract who renew/join after 1<sup>st</sup> Nov will change to '[Transitional Benefits](#)' intended to provide the indemnity until a state-backed scheme is introduced.

Yesterday the Department of Health directly addressed this offer by [amending its indemnity factsheet](#):

### **'DH Addendum - 17 October 2017**

*On 12 October 2017, the Secretary of State for Health announced his intention, subject to the examination of relevant issues, to develop a state-backed scheme for general practice indemnity in England.*

*Following that announcement, the Department of Health notes the Medical Defence Union's (MDU's) intention to change their indemnity offer to GPs to claims-paid coverage, and thus reduce the cost of their cover, from 1 November 2017.*

*Claims-paid coverage is an alternative form of indemnity which requires policy holders to obtain run-off cover at the end of any period of coverage, since it only covers claims which are reported and settled during the period of the cover. This means that claims made and settled in the period up to the introduction of a state backed scheme while the policy remains in force should be honoured. Claims made after the cover has expired, or made before the expiry of the cover but not yet settled, will not be honoured, unless run-off cover is purchased at the end of the period.*

*This reduction in coverage will apply to any GP taking up the MDU's offer of membership at the reduced subscription cost (whether as a renewal or new membership taken out from 1 November 2017) or with any other organisation that offers indemnity for clinical negligence on a claims-paid basis.*

*The Government does not currently plan to include this run-off cover in a state-backed scheme. GPs with claims-paid or claims-made indemnity policies would therefore be required to purchase such cover separately themselves at the point they move to a state-backed scheme.*

*Any GP purchasing an indemnity product on a reduced cover basis should make themselves fully aware of the terms under which it is being offered, taking into*

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*consideration how they will cover themselves after the period of cover has expired and the cost of run-off cover.*

*GPs should also continue to ensure they have appropriate cover in line with the GMC professional regulatory requirements to enable them to practise.'*

For ease of reference the current views/positions of the three MDOs are available below:

[Medical Defence Union](#)

[Medical Protection Society](#) – and [its comment on the MDU offer](#)

[Medical and Dental Defence Union of Scotland](#) – and [its comment on the MDU offer](#)

With the above information in mind, we would be grateful if LMCs could continue to remind GPs of the requirement to maintain full indemnity cover before any change to a state-backed scheme in the future.

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