



Aboriginal and Torres Strait
Islander health practice
Chinese medicine
Chiropractic
Dental
Medical
Medical radiation practice
Nursing and Midwifery
Occupational therapy
Optometry
Osteopathy
Pharmacy
Physiotherapy
Podiatry
Psychology

Australian Health Practitioner Regulation Agency

Consultation report: Professional Indemnity Insurance (PII)

July 2019

1. Introduction

The National Law¹ requires National Boards to develop registration standards about the requirements for professional indemnity insurance arrangements for registered health practitioners.

The following three National Boards have collaborated in a scheduled review of their Professional indemnity insurance arrangements registration standards (PII registration standards):

- Aboriginal and Torres Strait Islander Health Practice Board of Australia (ATSIHPBA)
- Chinese Medicine Board of Australia (CMBA)
- Occupational Therapy Board of Australia (OTBA)

The Psychology Board of Australia (PsyBA) also decided to participate in the multi-profession review of the PII registration standards.

2. Development of revised codes

The National Boards considered the objectives and guiding principles of the National Law and the *Regulatory principles for the National Scheme*² in deciding whether they should propose changes to the existing registration standards. The National Boards have also adopted a risk-based approach to the review, drawing on their experience with the existing PII registration standards and other sources of information, including research and the approach of other National Boards and comparable regulators.

The National Boards noted previous feedback from Ministers that strongly supports greater convergence of registration standards across the regulated professions. National Boards collaborated on the development of the revised standards including by participating in a multi-profession workshop in early February 2016 to discuss issues and develop consistent approaches where appropriate. This approach has resulted in proposed PII registration standards that are clearer, balance public safety with regulatory impact and have a high level of cross-profession consistency.

3. Consultation

National Boards undertook an eight-week public consultation process between March and May 2018, following a preliminary consultation round with key stakeholders in August and October 2016 to ensure public exposure to proposed changes – a requirement under the National Law. The Commonwealth Office of Best Practice Regulation (OBPR) was also consulted during preliminary consultation in order to assess the potential for any significant regulatory impacts. The OBPR determined that a regulation impact statement was not required.

¹ The *National Health Practitioner Regulation Law* as in force in each state and territory.

² The National Registration and Accreditation Scheme

Public consultation documents and submissions (except those made in confidence) are published under the *News* tab of each National Board website.

4. Issues

The proposed PII registration standards are based on a cross-profession template developed using expert advice, the experience of all National Boards and following consultation with key stakeholders.

The revisions proposed by National Boards reflect a more consistent approach to the PII registration standards than has previously been the case. The proposed registration standards include common requirements and definitions of retroactive and run-off cover and recognise third-party arrangements (cover by an employer or professional association). They also list the circumstances in which a registrant is not required to have PII arrangements.

Currently the PII registration standards for the Chinese Medicine Board of Australia and the Psychology Board of Australia specify a minimum amount of cover (\$5M to \$2M respectively). The proposed PII registration standards for all four Boards no longer specify a minimum amount of cover. They continue to require practitioners to have cover that is adequate and appropriate for their practice.

National Boards noted that specifying a minimum amount of cover does not ensure that practitioners hold adequate levels of PII insurance as those with higher risk practice may hold insufficient cover while lower risk practitioners may hold more cover than they need. The revised standards do not prevent Professional Associations from negotiating PII policies on behalf of practitioner members.

The proposed PII registration standards continue to require registrants taking out their own insurance to do an objective self-assessment, informed by advice provided by insurance providers to ensure they have adequate and appropriate insurance or professional indemnity cover for their practice. This flexible approach recognises that appropriate cover may vary between practitioners according to the nature and context of their professional practice.

There was support from Government for the high level of consistency that has been achieved across the revised standards through cross-board collaboration.

5. Conclusion

The National Boards consider that the revised PII registration standards set out the minimum requirements clearly, improve the overall flexibility and usability of the standards and provide cross-profession consistency while continuing to ensure high levels of public protection.

National Boards will publish additional guidance material when implementing the PII registration standards to help practitioners understand and meet the requirements.