The need for correctly scoped professional indemnity insurance cover for pharmacists

The PSSA would like to welcome Jessica Wiggill of PPS. She is the new contact person, and her contact details appear at the end of this article.

What is the big panic about?

The world in which pharmacists, or any healthcare professionals, operate is one of ever increasing pressure, with demands for speedy service, quick answers and cost effective solutions. This pressure can lead to errors and omissions in the pharmacy, which can give rise to claims.

Heightened consumer awareness, which is largely as a result of new legislation protecting consumers’ rights, coupled with difficult economic conditions, is resulting in our society gradually becoming more litigious.

Recognising this, the Pharmacy Council’s Rules relating to Good Pharmacy Practice require that all pharmacists should carry Professional Indemnity Insurance cover. It has not yet been published in the government gazette as to how much cover any one pharmacy should purchase, and we therefore recommend that you purchase as much cover as you can afford in order to protect your balance sheet.

Some pharmacists still view this as a grudge purchase until we have managed to share with them the kind of claims and pitfalls we have seen over the years.

The pharmacist’s role continues to expand, including providing consultations and vaccinations. With this expansion comes increased exposure to the possibility of a professional liability claim. In a recent claim study, the two most common allegations against pharmacists were dispensing of the wrong drug and/or the wrong dose. Together, these two allegations comprised 75% of all lawsuits against pharmacists. Regardless of the protocols and processes in place, mistakes happen. You’ve invested everything in becoming a pharmacist—now is the time to help safeguard that investment by purchasing professional liability insurance coverage.

Circumstances which give rise to professional negligence are seldom clear cut. They often give rise to disputes as to the nature and extent of the responsibility. In cases where the pharmacist is blameless, you may nevertheless be drawn into lengthy disputes which can be both financially and emotionally draining.

Purchasing the PPS Professional Indemnity Insurance product specifically designed for members of the PSSA, at the correct level of cover, provides you, your customers and patients with peace of mind and protection.

It is important for members, when taking out their Professional Indemnity insurance, to ensure that they have an adequate level of protection for the work that they and their staff do and that they provide specific clarifications of their staff complement (e.g. pharmacist, locum, nurse, intern, pharmacists’ assistant) as from an insurance point of view, underwriters have decided that each activity has a different risk profile and therefore a different level of cover and premium is required.
PSSA: Brief overview
The Pharmaceutical Society of South Africa is the leading and largest representative body of pharmacists in South Africa. It currently has about 8000 members.

The PSSA has four sectors, each of which caters for pharmacists, pharmacy technicians, pharmacists’ assistants and pharmaceutical scientists practising in different professional areas. These sectors are represented by the Academy of Pharmaceutical Sciences of South Africa (APSSA), the South African Association of Community Pharmacists (SAACP), the South African Society of Hospital and Institutional Pharmacists (SAAHIP) and the South African Association of Pharmacists in Industry (SAAPI).

What makes us so professional
• Effective representation at all government and official levels;
• Promotion of the profession;
• Monthly South African Pharmaceutical Journal;
• Quarterly South African Pharmacist’s Assistant;
• Regular electronic newsletters;
• Continuing professional development and accredited continuing education;
• Cost effective insurance including professional indemnity;
• Drugwise educational programme against misuse, overuse and abuse of substances;
• Employment Policy and Procedures Manual (free to members); and
• Expert industrial relations, administration and technical advice

PPS: Brief overview
Unlike most financial services providers in South Africa, PPS is not listed on the stock exchange and has no external shareholders, instead, PPS operates under the ethos of mutuality and all PPS' profits are allocated to PPS members with qualifying products on an annual basis by way of allocations to their PPS Profit-Share Accounts.

PPS is also the only financial services company in South Africa that has focused exclusively on graduate professionals, since 1941. PPS offers tailor-made insurance, investment and healthcare solutions exclusively for graduate professionals with a qualifying four year degree or equivalent.

PPS members share the profits of PPS by way of the PPS Profit-Share Account, which vests on retirement at age 60. PPS' total profit-share allocation to PPS members for the 2014 financial year was R3.1 billion. In addition to this, PPS has shared R21.6 billion in profits with its members over the last 10 years.

What makes us so professional
• 1941 - Professional Provident Society of South Africa was founded on 8 July 1941;
• 1960 - Professional Provident Society Retirement Annuity Fund was established;
• 1972 - The eligibility rules were amended to provide membership for students;
• 1980 - Eligibility rules were amended to provide membership to professionals who were not members of a recognized professional association;
• 1998 - The Board agreed that persons with certain Technikon degrees could also be considered for membership;
• 2001 - PPS was effectively transformed into the PPS Group, consisting of PPS Limited (Limited by Guarantee) and PPS Insurance Company Limited that was registered to provide benefits as a long-term insurance company;
• 2003 - Professional Provident Society Insurance Company (Namibia) Limited - a subsidiary of PPS Insurance - was established;
• 2005 - PPS Medical Scheme Administrators (Pty) Limited was established to administer Profmed;
• 2006 - Professional Provident Society Investments (Proprietary) Limited was established to service the savings and investment needs of PPS members. BEE transaction announced in 2006, well ahead of the 2010 schedule set out by the DTIs Codes of Good Practice;
• 2007 - PPS Investments range of products launched. PPS Insurance launched a new range of risk products and enhanced existing risk portfolio;
• 2009 - PPS Medical Scheme Administrators (Pty) Limited started administering multiple schemes;
Our Product

Professional Indemnity Insurance essentially provides the named insured in the policy with indemnity in respect of legal liability arising out of the practice of the profession/business.

This normally arises as the result of negligent acts, errors or omissions and can be in respect of any activity conducted during the general conduct of the business.

Legal liability is the liability of a party imposed by a court for its acts or omissions, and for which the courts will award damages as a form of redress.

Professional Indemnity Insurance covers the liability to third parties that flow from the services provided or advice given.

It covers direct and indirect damages which include costs, third party and consequential.

The cover operates on a claims made basis.

Extensions Available

In addition to the main elements of cover, the following extensions can be purchased at an additional premium:

- Loss of documentation
- Claims preparation costs
- Extended reporting period
- Sub-consultants
- Joint venture liability
- Fee recovery
- Public liability cover

The following extensions will automatically be included at your next renewal free of charge:

- Legal Assist
- Health and Safety (Only available to clients who have opted for the General Liability Cover)
- Business Identity Theft

Exclusions

The main exclusions forming part of the policy wording are liability claims arising out of:

- Fraud and dishonesty
- Fines and penalties
- Asbestos
- Nuclear
- Pollution
- War and Terrorism
- USA/Canada

Specific additional exclusions may also be found in separate schedules attaching to the policy wording.

Limits of Indemnity

Professional Indemnity policies for pharmacists are normally renewable annually and the limit of indemnity is the amount of cover available in any one year (or period) of insurance to indemnify the professional against any third party claims arising out of his negligent acts, errors or omissions. The limits are costs inclusive and therefore, any legal fees are included in the limit and not paid in addition to the limit taken out.

Deductible

- The excess or deductible is the first amount payable by the Insured in respect of any claim, before the Insurer is obliged to provide cover in terms of the policy;
- The deductibles are applicable to damages only;
- The higher the deductible the higher the premium discount;
- Generally the minimum deductible is 1% of fees with a minimum amount payable of R 5 000.

Who to contact at PPS?

As Charles Skinner has left and no longer has any association with PPS or the PSSA, Jessica Wiggill will be looking after all PSSA members going forward and can be contacted on the numbers below.

Tel: 011 644 4396
Fax: 011 644 4657
Cell: 082 338 4529
E-mail: jwiggill@pps.co.za

The PSSA wishes to remind members that Charles Skinner is no longer employed by PPS or the PSSA and no longer has any association whatsoever with either PPS nor PSSA. The PSSA does not endorse any other insurer, except PPS through Hollard. Pharmacists are therefore strongly urged to discuss any concerns surrounding the cover or any benefits with Jessica Wiggill prior to considering amending or changing their insurance portfolio. Jessica will ensure that you make an informed decision that will cater for your individual needs.

PPS and PSSA looking after your financial wellbeing whilst you are looking after the physical wellbeing of others

- 2011 - PPS Limited (Limited by Guarantee) is transformed into The PPS Holdings Trust, as per the requirements of the new Companies Act;
- 2012 - PPS introduces broadening of mutuality. From the 2012 financial year, members’ share in the profits of PPS are not only based on the level of SPPI cover they have, but also the premiums paid on qualifying products that they have taken out;
- 2013 - PPS allocates a record amount of R4,2 billion of profits to our members’ Profit-Share Accounts in respect of 2013;
- 2014 - PPS allocates over R3 billion of profits to our members’ Profit-Share Accounts in respect of 2014;
Welcoming new members

The Pharmaceutical Society of South Africa (PSSA) welcomes the following pharmacists who joined the Society in June and July 2016. We trust that you will be welcomed into your branches and sectors, and that you will find great value in your membership.


Student members

We are also delighted to welcome the following student members:

Lauren Cilliers, Helene Retief, Shani Retief, Adi Schoeman, Ryno van Niekerk.

In memoriam

The PSSA extends its sincere condolences to the family and friends of the following members who passed away in June and July 2016.

Percy Gittelson – Southern Gauteng
Elise Magdalena Henning – Pretoria
WL McDonald – KwaZulu-Natal Coastal
Michael Rubin – Cape Western Province
Joseph Tropper – Cape Western Province

History in the making

In addition to the branch representatives, three other members are appointed annually to the PSSA national executive committee. This year, the PSSA welcomed Sybil Seoka (a past president of the PSSA), Walter Mbatho (a past president of SAPSF and a member of the ‘Young Pharmacists’ Group) and Gawie Malan (also a member of the ‘Young Pharmacists’ Group).

At the recent executive committee meeting, history was made. It is the first time that a current PSSA president has welcomed his son to the committee!

Photo: Gawie Malan (left) with proud dad Sarel