Newfoundland and Labrador Pharmacy Board
Interpretation Guide

Professional Liability Insurance Requirements for Registration
Last Revised October 2013
Reviewed November 2015

The *Pharmacy Act* and *Pharmacy Regulations* state that applicants for registration must "provide proof that he or she has obtained professional liability insurance coverage in a form and amount satisfactory to the board". For the purposes of this section, all applicants for registration are required to meet the requirements defined below and in the attached appendices.

1. To be acceptable, coverage under professional liability insurance must be personal insurance – that which names the pharmacist, pharmacy technician, student or intern personally as an insured and covers the insured for all aspects of their practice and in all locations in the province in which that practice occurs.

2. An amount of $2,000,000 per claim or per occurrence and $4,000,000 annual aggregate is the acceptable minimum limit of coverage. In some situations, it may be appropriate for a higher level of coverage to be obtained on an optional basis.

3. Either "claims made"[1] or "occurrence"[2] forms of policies are acceptable. "Claims made" policies require an extended reporting period provision for a minimum of three years.

4. The policy must not contain a retroactive date and must provide for full prior acts protection.

5. An annual certificate of coverage, provided by the insurance carrier, is required to confirm that the professional liability insurance policy meets the criteria set by the Board.

6. Legal defence payments for regulatory proceedings or other legal proceedings afforded by a professional liability insurance policy must not erode the minimum limit of liability coverage required by the Board.

7. A crown servant within the meaning of the Treasury Board Policy on the Indemnification of and Legal Assistance for Crown Servants, is not obligated to hold and continuously maintain acceptable malpractice insurance, provided that the member:
    (i) at all times restricts his or her practice to the scope of duties and employment as a Crown servant; and
    (ii) completes a Practice Undertaking in a form approved by the Board. (see Appendix I)

PLEASE NOTE:	The Board strongly recommends to Pharmacists-in-Charge that similar professional liability insurance coverage is in place for their pharmacy, should a claim be made that also names the pharmacy

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[1] "claims made" means that the policy responds if it is in place at the time in which the claim is made against a registrant
[2] "occurrence" means that the policy responds if it was in place at the time in which the incident that is the subject of the claim occurred

Enabling Legislation: Pharmacy Act, 2012 section 14.(e), 15.(1)(c) and 17.(1)(e)

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Appendix I
Practice Undertaking for a Pharmacist

To Whom It May Concern:

I, _____ , wish to attest that as a Canadian Forces pharmacy officer or a public service pharmacist employed by the Department of National Defence licensed in <u>Newfoundland and Labrador</u>, I will undertake to practice pharmacy in the course of my official DND/CF duties only, and that all liability for my professional pharmacy services is adequately covered through the Treasury Board of Canada *Policy on Legal Assistance and Indemnification*. In this undertaking I request that for licensure in <u>Newfoundland and Labrador</u> that the compulsory personal professional liability insurance coverage be waived and that, should I wish, at any time in the future, to provide pharmacy services for another employer or on a volunteer basis, or otherwise engage in the practice of pharmacy outside the scope of my employment with the Canadian Forces or the Public Service of Canada, I will immediately inform the <u>Newfoundland and Labrador Pharmacy Board</u> and acquire the necessary liability insurance. I agree that breach of this undertaking constitutes professional misconduct, and that my license will be suspended immediately.

_____   _____   _____
Pharmacist Signature   Registration #   Date Signed