



PRASIS Newsletter - 15th of April

Dear PRASIS Member,

### **New Brokers**

As of 12<sup>th</sup> April 2020 PRASIS, has appointed Medical Insurance Consultants Ltd (MIC) as our new Brokers to arrange and manage our members' medical indemnity insurance policies, replacing the MPI Group. Please note that **YOUR INDEMNITY INSURANCE COVER WILL NOT BE AFFECTED IN ANY WAY** by this move whatever you may have heard to the contrary

MIC is a market-leading insurance Broker of over 30 years' standing, specialising in the insurance needs of healthcare providers and professionals.

During this period of transition, a number of PRASIS members will of necessity remain with the MPI Group as their Brokers, because their terms of insurance have not coincided with PRASIS's change of Brokers to MIC. Such members will automatically continue to be PRASIS members, and to retain all benefits until the time of their next renewal, at which time they can elect to stay with PRASIS and transfer to our new Broker, or leave PRASIS and remain with the MPI Group (or move to a different Broker). This is an individual matter for those members to decide at that time, but we very much hope that those members will choose to stay with PRASIS and move to MIC as their new Broker.

Since its inception all members of PRASIS have paid a 2% membership subscription to fund the educational activities and administrative costs of PRASIS. These subscriptions, added to direct insurers' contributions (which were negotiated by PRASIS over time), and careful stewardship of our funds, have enabled PRASIS to develop satisfactory reserves to maintain these activities and to continue to act independently in its dealings with its Insurance professionals.

This has now allowed the PRASIS Board to elect to discontinue this membership subscription, a decision that was made at the time of its decision to review its Brokers. We confirm that all renewal premiums will be reduced by this 2% with immediate effect. The MPI Group has also confirmed that it has ceased to collect these fees for those PRASIS members who remain with them at present.

We have also heard rumours circulating that 'Run-off Cover' may be affected by PRASIS's change of Broker. We are uncertain of the origin of this rumour, but can confirm that **NEITHER THIS NOR YOUR INDEMNITY COVER WILL BE AFFECTED IN ANY WAY**, as such cover is provided by our Underwriters and is totally independent of the Broker.

Members coming up to their Renewal should contact MIC (contact details on the PRASIS website) to discuss their terms and transition arrangements if they choose to remain with PRASIS and move to MIC.

The Medicolegal helpline, as posted on the PRASIS website, will remain the same for all members, irrespective of their current Broker.

### **Effect of COVID-19 Pandemic on PRASIS Indemnity Premiums**

We regard this as a huge issue facing all PRASIS members due to its effects on the earning potential of our members.

This is a time of great uncertainty with totally unforeseen changes to personal and professional lives affecting the entire population, and with no apparent end in sight. Everyone feels vulnerable and sadly the medical world is not alone in having unscrupulous individuals and organisations who are prepared to exploit the situation in pursuit of personal financial gain.

In medical indemnity there have recently been a number of apparently 'world class' offers of refunds and 'payment holidays', which sadly do not bear close examination.

At this time of great uncertainty CFC, as the PRASIS main insurer, has put in writing an offer to compensate for overpayments made this year at the time of next renewal, and for those renewing now and going forward has asked that members reduce their predicted income by at least 25%. We would, however, advise that members exercise caution in this and avoid the need for CFC to consider a 'claw back' contract to charge retrospectively for underprediction of earnings, as this is something which the Medical Defence Organisations and other insurers do currently exercise (and indeed often use as an excuse for withdrawal of indemnity cover).

Sharon Brennan, as the CFC lead, attended the recent BAAPS webinar on this, and explained the insurers' perspective. It is of note that the main alternative insurer for plastic surgeons withdrew from the webinar when they discovered that other insurance professionals would be contributing, and also that another insurer which is currently making an offer of refunds declined the invitation to attend.

Sharon publicly stated that payment of premiums by PRASIS members insured through CFC can be delayed by up to 120 days. This action, coupled with payment holiday arrangements, which MIC as our new broker can organise, are we believe significant first steps in supporting the membership through our current cash flow challenges. Please also note the deferral by HMRC of the July 2020 income tax payment to January 2021.

As practising plastic surgeons we, as the clinical members of the PRASIS Board, fully understand and share your concerns. We believe that we have acted in the best interests of our members in changing our Broker and that on scrutiny these initial concessions from CFC exceed those currently offered by any other provider. However we recognise that this is an evolving situation, and we assure you that we will continue to pursue matters vigorously on

your behalf with our insurance professionals, to ensure that all possible concessions to our members are considered, so as to provide the maximum support to members during this period, whilst maintaining appropriate cover.

*Three documents are attached which may be of interest:-*

1. CFC First response, 20 March 2020
2. MIC COVID-19 Medical Indemnity, 5 April 2020
3. Government Business Support Scheme, Update April 2020

PRASIS BOARD:

Chair:

N Collins, Lawyer at Slater Heelis

Members:

Steve Hamilton

Graham Offer

Jim Kirkpatrick

J Srinivasan (Srinivas)

Ruth Waters

PRASIS Board Secretary:

Helen Roberts ([helen.roberts@prasis.org](mailto:helen.roberts@prasis.org))