

MEDICAL INDEMNITY INSURANCE AND THE COMMUNITY

The role of the medical indemnity insurance industry in reducing risk and promoting quality within the health system

Medical indemnity insurance plays a vital role within the Australian health system by ensuring that both patients and doctors are protected in the event of an adverse incident.

As well as providing medical indemnity insurance to doctors, medical defence organisations are working with the medical profession to reduce risk and increase the safety of medical care. The medical indemnity insurance industry has significant expertise in collecting and analysing data on adverse events in medicine and is committed to using this expertise to increase the safety of Australia's medical system.

Some of the ways in which this information can be used are:

- for the early identification of risk areas, so that problems can be addressed quickly and any potential for damage minimised;
- in identifying patterns and trends in adverse events, to enable effective responses to be developed;
- to assess the impact of risk management programs and measure their effectiveness.

Many medical defence organisations run risk reduction programs for their members to assist them in reducing the risks associated with medical practice. These programs include education and training sessions addressing important consumer health issues such as: improving communication skills; responding to patients' complaints; and obtaining informed consent.

Increasing the safety of medical care means that fewer patients will experience adverse events and that overall consumer confidence in the health system increases. Fewer adverse events also mean fewer claims and lower premiums. This reduces costs for doctors and means they are more able to keep their fees affordable for consumers.

The role of MIIAA in risk management

The Medical Indemnity Industry Association of Australia (MIIAA) is the peak body representing the medical indemnity insurance industry. The MIIAA works with its member insurance companies to support risk management within the health system.

For example, on behalf of the industry, the MIIAA coordinates the collation of annual data from medical defence organisations and insurers and makes this information available to governments, the medical profession and the community. This data includes information such as the number of claims in different areas of medicine and the average amount per claim. This is useful in the development of strategies to reduce risk and increase the safety of the health system.

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The MIIAA will also be expanding the information it gathers on the causes of claims, and the data will be made available for discussion by medical colleges and peak medical bodies such as the AMA.

This important data should assist to identify areas where these bodies can collaborate with the MIIAA to reduce the incidence of claims.

Benefits for consumers of a strong and independent medical indemnity insurance industry

Without medical indemnity insurance, consumers who believe that their doctors had been negligent would have no guarantee of receiving compensation, even if the courts awarded damages to them. If the doctor did not have sufficient resources to pay the amount awarded, the consumer would not receive the compensation to which they were entitled.

A strong medical indemnity insurance industry is also important to attract and retain doctors in Australia, particularly in high risk areas of medicine.

How the MIIAA can work with consumers and the community

The MIIAA is working to reform the way medical indemnity is dealt with in Australia to make it fairer for consumers and doctors and more sustainable over the longer term.

We support reforms of tort or personal injury law to provide a fair and efficient system of compensation for people who are harmed through medical negligence.

The MIIAA supports tort law reform that aims to minimise litigation, encourage early resolution of claims and reduces the delays and costs associated with medical negligence lawsuits. As tort law comes under the jurisdiction of state governments, reforms need to occur in all states in Australia

Through working to reduce the risks associated with medical care and developing longer term strategies for reform, the MIIAA is committed to addressing the community's need for a secure and sustainable medical indemnity insurance industry, today and into the future.



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