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Council – 10 September 2009

## Compulsory Professional Indemnity Insurance

### Executive summary and recommendations

#### Introduction

The Secretary of State for Health announced on 21 May 2009 that the plan by the Department of Health (DH) to amend the legislation of the UK regulators of health professionals who did not currently require compulsory professional indemnity insurance (CPII) was to be stopped.

The Health Professions Council does not at the current moment in time require its registrants to hold CPII.

The Professional Standards Division of the DH are establishing a Review Team. It is intended that the Review Team will report to Ministers in May 2010.

Copies of relevant letters are attached as background papers. The Executive will update the Council as appropriate.

#### Decision

The Council is requested to note the documents. No decision is required.

#### Background information

None

#### Resource implications

None

#### Financial implications

None

#### Appendices

Letter from Secretary of State for Health dated 21 May 2009

Letter from Nick Clarke, Department of Health, dated 29 July 2009

#### Date of paper

3 August 2009

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| 2009-08-03 | a    | CER       | PPR      | Compulsory Professional Indemnity Insurance | Final<br>DD: None | Public<br>RD: None |

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21 MAY 2009



Following discussions between our respective officials on professional indemnity, I have been considering further the concerns that you and your colleagues have raised.

As you know, Government policy has for some time now aimed to ensure that all patients have recourse to compensation where they suffer harm through negligence on the part of a healthcare professional. We have over time, been putting in place the legislation to ensure this is the case.

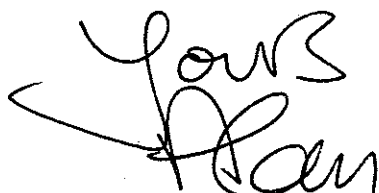
In reviewing the points you have made, I think it is important at this stage for us to pause and take stock of whether compulsory professional indemnity (as a condition of registration for all healthcare professionals), is the most effective and proportionate way of ensuring that this is the case.

I have therefore asked officials to establish a policy review, in partnership with the Devolved Administrations, employers, Trades Unions, patient representatives and professional regulators, to identify and consider options for alternative approaches for implementation that might secure our shared goal whilst avoiding some of the potential risks that you have identified. The review team will report to Ministers in 12 months' time.

We shall be advising Regulatory bodies that have not yet commenced the legislation to put their work on this issue on hold for the period of the review.

Officials will therefore be in contact shortly to discuss how we can work together during this review period to establish the most proportionate way of addressing the fundamental aim of ensuring that every patient who suffers harm as the result of negligence by a healthcare professional has access to redress in a consistent way.

I am copying this letter to Peter Carter and Cathy Warwick, to my colleagues in the Devolved Administrations, and to the Chief Executives for the professional regulators.



ALAN JOHNSON

29 July 2009

Dear Marc

As you know, Government policy has for some time now aimed to ensure that all patients have recourse to compensation where they suffer harm through negligence on the part of a healthcare professional. You will also know that with the help of the respective Regulatory Bodies we have over time, been putting in place the legislation to ensure this is the case.

However, following discussions between the nursing and midwifery unions and departmental officials, Secretary of State has reviewed the points made and decided at this stage for us to pause and take stock of whether compulsory professional indemnity (as a condition of registration for all healthcare professionals) is the most effective and proportionate way forward.

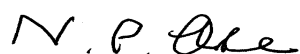
Secretary of State has therefore instructed officials to establish a review in partnership with the Devolved Administrations, employers, Trades Unions, patient representatives and professional regulators. The review will identify and consider options for alternative approaches for implementation to secure our shared goal whilst avoiding some of the potential risks identified. The review team will report to Ministers in May 2010. Secretary of State wrote to the unions outlining his intentions for the review and I attach a copy of that note.

Since then officials have been developing the scope for the review and we anticipate that this will be complete by the end of August, at which point we shall be arranging a stakeholder event to include the regulatory bodies

Officials will be in contact shortly to discuss how we can work together during the review period to establish the most proportionate way of addressing the fundamental aim of ensuring that every patient who suffers harm as the result of negligence by a healthcare professional has access to redress in a consistent way.

In the meantime, as the note from Secretary of State says, those regulators who have not yet commenced framework legislation requiring compulsory indemnity as a condition of registration should put on hold any activity regarding this until the review is concluded.

Yours sincerely



Nick Clarke  
Deputy Director, Professional Standards Division  
Department of Health