

Many medical billers and coders are now realizing the importance of having a policy that includes both professional liability and contingent bodily injury. Comprehensive professional liability insurance is an essential component in any enterprise risk management program. Consider the following claims examples:

Type of Risk	Scenario	Exposure/Loss
Stolen Data	<p>A medical biller was retained by numerous physician practice groups. Normally the biller worked from home. On occasions when the biller worked offsite, a laptop computer was used. On one trip, the biller's laptop was stolen. State law required notification by certified mail to all impacted individuals when security around certain confidential information was breached.</p>	<p>Total cost for this notification exceeded \$11,000, and the physician groups demanded that the biller reimburse them. Two of the notified parties responded through counsel. Each threatened their physician group with a lawsuit if there were any adverse consequences, including identity theft, from the loss of their confidential information. The physician groups notified the biller that if the patients pursued them, they would pursue the biller for indemnification.</p>
Human Error	<p>An independent contractor provided billing &amp; coding services for a group of child, adolescent, and adult psychiatrists. Two unrelated patients, a teen and an adult, had the same last name. The biller miscoded the accounts, and each received the other's bill. The stepfather of the teen and the adult patient were both local businessmen in the restaurant business. Six months after the billing error, the restaurant owned by the adult patient closed, and bankruptcy was filed. The owner/patient filed suit against the doctor's group, the biller, and the other restaurant owner contending that the restaurant failed because of "malicious gossip" that the owner was under treatment for a serious psychiatric condition. The evidence eventually showed that the restaurant was having serious financial problems for a long time, and that the stepfather had never mentioned anything regarding his competitor's medical condition.</p>	<p>The medical biller's legal fees were approximately \$4,000. However, the insurers for the doctor group and stepfather indicated that they intended to pursue subrogation claims for an additional \$14,000 in defense costs. The biller resolved these additional demands by agreeing to pay \$2,500 per year for the next four years.</p>



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Claim examples are based on hypothetical situations or composites of actual cases. It is our policy not to release claim case numbers or any specific claim details. Coverage for particular claims is subject to policy language as issued.