

Where you practice in the United States largely determines your familiarity with *claims-made* or *occurrence coverage*.

Both coverage forms provide protection against claims, but each has unique features—having emerged long ago as a result of different practice environments and needs. Increasingly, today's practice environment calls for you to choose claims-made coverage.



## Claims-Made vs. Occurrence

### How does coverage differ?

Coverage with a *claims-made* policy is determined by *when a claim is reported*, and coverage with an *occurrence* policy is determined by *when the incident occurred*.

**A CLAIMS-MADE POLICY** offers protection for claims you report during the time your policy is in effect, provided the incident happens on or after your claims-made retroactive date (usually, the date of your first claims-made policy). **At each policy renewal, you have a “clean slate” of limits, significantly reducing the chance of exhausting your aggregate protection when compared with occurrence coverage.\*** If you do not renew your claims-made policy, you may need “tail coverage” to protect you against claims submitted after your last policy expires or is canceled. With your ProAssurance company policy, “tail coverage” is available to you and, in specific instances, is provided at no charge.

**AN OCCURRENCE POLICY** offers protection for claims arising out of your practice of medicine during a policy period. No matter when a claim is reported, you are covered under the policy and the limits in effect at the time of the incident—even from several years prior. As such, these limits may not be reflective of the risk you face at the time of the claim. In addition, because occurrence policies provide coverage for claims reported after the policy term expires, the aggregate limit is subject to exhaustion from future claims. You have no ability to adjust this coverage to address changing protection needs. You may find yourself either buying limits too low to address your ultimate risk, or spending too much for limits higher than you might truly need—“just in case.”

\*When you purchase a policy, you also purchase a set of limits—both per claim and per policy period. So, with \$1 million/\$3 million limits, you have \$1 million maximum coverage per claim and up to \$3 million coverage per policy period (usually one year) in the event of multiple claims.