

Insurance amount of indemnity should be a



insurance company provides legal representation and pays compensation to the patient if such an award is made by the courts. As yet there is no compulsory indemnity insurance scheme for doctors in India.

Consumers of hospital are now more conscious and articulate of their legal rights. Several patients and consumer organisation are looking for chances to sue hospitals. With the rising number of cases for damages against doctors under the Consumer Protection Act, doctors are insuring in increasing numbers, although it remains to be seen whether compulsory insurance will come into force as follow-up of Consumer Protection Act. Medical indemnity insurance is widely held to be one of the solutions to handle the threat of malpractice litigation. It goes without saying that the names of doctors, the hospitals employing them, and the amount of indemnity should be a secret guarded by them, lest unscrupulous patients are encouraged to go in for litigation at the drop of a hat. The Nationalised insurance companies in the country have now come out with professional indemnity insurance scheme for individual medical practitioner and for hospitals, nursing homes, diagnostic centres, clinics, blood banks, laboratories, etc.

In case of individual doctors, the policy will indemnify any act committed by the insured giving rise to any legal liability to third parties. The insured includes the policy holder and his or her qualified assistants or employees named in the proposal. In the case of hospitals and other medical establishments, the policy will indemnify the insured in respect of any act committed by the professionals or qualified assistants engaged by the medical establishment which gives rise to any third party legal liability. In

both types of insurance, all claims for compensation have to be legally established in a court of law.

However, insurer may arrive at compromise settlement if prima facie liability exists under the policy.