

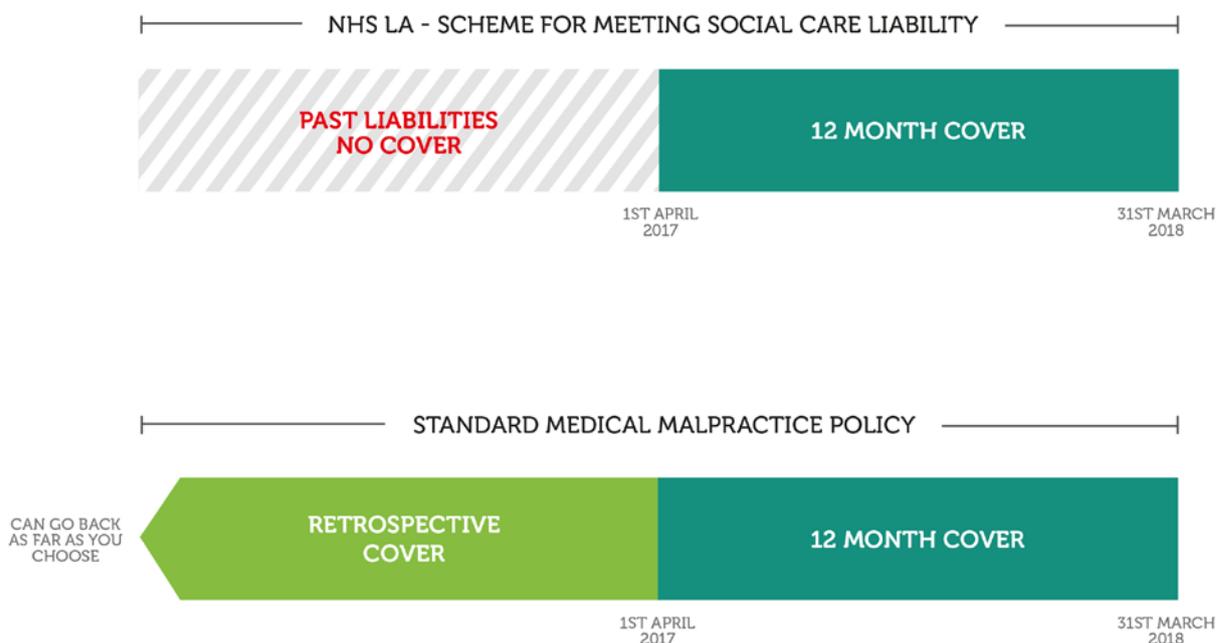
NHS LA- Scheme for Meeting Social Care Liability

Beware of Pitfalls

Social Care Service providers will be delighted to hear the news from NHS LA that members of CNST offering certain Social Care services can now have cover under a new scheme, NHS LA - Scheme for Meeting Social Care Liability.

The private providers have to meet various criteria; one of which requires that healthcare services form part of the commissioning contract.

However, it is not all a bed of roses and we urge organisations migrating from a traditional insurance-based indemnity policy to NHS LA to ensure that you consider appropriate provision to cover past liabilities in respect of claims reported after the transfer.



- NHS LA will cover those events that occur after you join the Scheme for Meeting Social Care Liability pooling arrangements. The rules of membership at present **do not** allow NHS LA to assist with events that arose before cover was first agreed
- Your existing insurance policy **will not** cover claims reported after cessation unless you purchase cover for past liabilities ('Run Off' insurance). Remember you have a contractual duty to maintain run off cover, which can be up to 21 years for services that involve children.

What are the options?

We know of organisations that are facing enormous potential liabilities by transferring the cover from insurance to NHS LA without adequate provisions for past liabilities. This might negate any savings in costs that the NHS LA option offers. Consider the consequences very carefully; engage in detailed discussions and obtain clarity from everyone in the chain:

1. Your existing insurance provider
2. NHS LA
3. Your contract Commissioner

The solutions and products emerging from the DoH via NHS LA, the MDO's and the insurance sector are all well intentioned and in response to a demand for an effective and affordable solution. However, at this stage of its evolution it is often confusing and complicated.

We are independent Lloyds Brokers, governed by the Financial Conduct Authority and we help our clients through the hurdles to understand the risks, the environment, the expectations, and the solutions. Our aim is to find a solution which allows your business to flourish, with a good balance between business strategy, risk controls, risk management and costs.

If you are in any doubt and wish to discuss your options contact James Hallam Pro Med:

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or

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