

Medical Indemnity Insurance in New Zealand

What is medical indemnity insurance?

Medical indemnity insurance is a mandatory insurance policy required for all doctors in New Zealand in order to practise.

It covers you against the associated legal costs and loss of earnings while being represented in front of a medical tribunal, coroners, HDC or the like, should a patient complaint be lodged against you.

Why do I need it?

In New Zealand, your patients are covered by no-fault compensation via ACC. If something goes wrong with their care, they can claim recompense from the government, rather than from lawsuits that draw funds from the offending doctor.

This ensures that doctors don't spend their time and resources defending themselves against civil suits. However, this does not mean that health practitioners in New Zealand aren't held to account.

How much could complaints cost me?

If a medical complaint is made against you as a doctor, you may be called before the Medical Council or HDC to explain your actions and possibly face censure.

While the actual damage caused to the patient will be covered by ACC, you can still suffer costs in the form of:

- **Legal costs and inquiries during representation and possibly defence.** It is possible to represent yourself, but most wise doctors choose to hire a medical lawyer. This expertise doesn't come cheap, but is often necessary for a fair outcome.
- **Travel costs to hearings.** These are usually held in either Wellington or Auckland, so if you aren't near the designated court location, you will have to pay for flights, accommodation, etc.
- **Lost earnings from missing work.** Medical complaints can take weeks or months to conclude, during which time you may be unable to work while attending hearings, or are suspended from work (depending on the nature of the complaint).
- **Medical malpractice penalties.** If the authorities consider it necessary, you may be charged additional amounts following the hearing, including the cost of the hearing itself. These can range from a few hundred dollars to tens of thousands, depending on the nature and severity of the complaint.

How much does medical indemnity insurance cost?

For most doctors, the yearly costs from indemnity insurance will range from between about \$565 and \$600, depending on your position. If you're an RMO employed by a DHB, you qualify to join the group scheme and have these costs automatically paid for you.

While medical indemnity insurance is compulsory in New Zealand, not all insurance providers offer equal cover. In fact, some providers don't offer retrospective cover, and others don't guarantee cover at all! It is important to know that you have the cover you need to avoid the potential costs should a complaint come your way.

[For more information about the differences between the main medical indemnity insurance providers, please read our comparison checklist.](#)

[Download the Comparison Checklist](#)

FINANCIAL STRENGTH RATING

New Zealand Medical Indemnity Insurance has been issued a Financial Strength Rating of B+ (Good) and an Issuer's Credit Rating of bbb- (Good), with the outlook on both ratings assigned to 'Stable'. These ratings were issued by A.M. Best on 1st April 2022.