

# What Nursing Students Need to Know About Malpractice Insurance



## FREQUENTLY ASKED QUESTIONS

### 1. Why does my school require me to carry malpractice insurance (aka professional liability) while doing my clinicals?

Some nursing students say they feel a calling to be a nurse. It is an honorable, caring, challenging, and rewarding profession. It's not just a job or career. It's part of who you are. You won't stop being a nurse, just because it's your day off.

A lot of nursing students are surprised to learn that mistakes committed on the job can result in costly medical malpractice lawsuits.

As a nurse, you have a responsibility to act within the standard of care. Act outside it, such providing improper treatment, and patients can end up injured. In today's world, injuries can mean malpractice lawsuits. Your school requires you to carry malpractice coverage to protect you and the school from potential litigation.

#### Average Malpractice Claim Costs\*

Student Nurse	\$309,835
LPN/LVN	\$219,871
RN	\$208,636



### 2. What is different about student malpractice insurance and a nursing professional's policy?



Your student policy provides you with the same \$1 million of professional liability insurance that an LPN, RN or nurse practitioner carries on their policy. This is the coverage that protects you from lawsuits filed by patients alleging you acted outside the standard of care and they incurred an injury.

The primary difference between a student and nursing professional policy is the License Protection coverage. As a student, you don't have a nursing license, yet. So, you don't need License Protection.

When you pass your state boards, you will want to protect your license from possible complaints. That is why the NSO policy for nursing professionals includes \$25,000 of License Protection coverage.

### 3. When I graduate do I still need malpractice insurance?

**YES** As a student you've seen how hard nurses work. On occasion they can put in long hours, work while under staffed and overly stressed. No matter the reason, sometimes mistakes are made. If a nurse acts outside the standard of care, patients can get hurt and lawsuits filed. The most affordable way to protect your nursing career is with your own individual malpractice insurance policy.

You will also need to protect your license. There are **50 times more** license complaints filed against nurses than malpractice claims.\*\* Anyone can file a complaint against you. An injury is not required. Say something on Facebook about a patient that one of your colleagues doesn't like—and they could file a complaint against you with your state board.

A license complaint is a serious matter. It may involve an investigation by the state board and a formal hearing. Because your license is at stake, it is a good idea to hire an attorney to help you through the process. The policy for nursing professionals includes \$25,000 of License Protection that you can use to hire a lawyer.

Having legal counsel at your side will help reduce your stress levels and increase the odds of a positive outcome.

#### 4. Does NSO provide any discounts for new graduates to help them start a new policy?

**YES** If you apply for NSO Nurse Professional Liability Insurance within 12 months of graduation, you will receive a 60% discount the first year of your policy, 40% the second year and 20% the third year. In the fourth year, you will pay the same rate as your nursing colleagues.

Doctors pay high premiums for their malpractice insurance. Rates for RNs and LPN/LVNs are quite affordable. In most states, nurses' annual malpractice insurance rates look like this:



#### 5. Why buy my own malpractice policy if I can get free coverage through my employer?

Your employer's policy is meant for your employer. It has their name on it. Should a malpractice claim occur, they will put your employer's interest first, which may conflict with your own. Their policy will offer coverage for employees if they are named in a lawsuit, but with limitations. For example, if multiple people are named in the suit, you will be forced to share coverage limits—which may not provide you with sufficient protection to pay for the entire claim.



The other important restriction on an employer's policy is that it may not cover licensing complaints. *They may be the one filing the complaint against you.* In such a situation, you could be forced to pay for an attorney out of your own pocket. The average cost to hire an attorney to defend a licensing matter is \$5,330.\* When you look at the cost to hire of an attorney, and the cost for a nurses' policy, it makes sense to have your own individual coverage.

#### 6. How do I initiate a policy for a nursing professional after graduation?



It's easy. You can transfer your student nurses policy into a nursing professional's professional policy simply by calling NSO at **1.800.247.1500**. Or you can fill out the application at **nso.com**.

After starting your policy, should you take a leave of absence to raise a family, we recognize that you'll still be a nurse, but the risk of having a claim is greatly reduced. Therefore, we offer a part-time premium discount of 50%.

Being a nurse is a lifetime journey. Please know that NSO is here to support you every step of the way.



**NURSES PROFESSIONAL  
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\*Resource: Nurse Professional Liability Exposure Claim Report: 4th Edition, NSO, CNA, September 2020.

\*\*U.S. Department of Health & Human Services, National Practitioner Data Bank, May 2020.

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