

Thinking About Joining a Large Group Practice? Here's What You Need to Know

Here are some key points to consider from a professional liability insurance standpoint if you are planning to join a large group practice.

Corporation/Entity Coverage

Are you selling your practice to a large group? If so, are they acquiring your legal corporation/entity, or just your building and equipment? Will there be a transitional period where your legacy corporation/entity should remain insured? Corporation/entity coverage can be canceled altogether or moved to another policy, depending on your specific needs. We recommend speaking to your business attorney with questions about if or when to dissolve your entity, as well as the legal liabilities of keeping the entity in active status.



Malpractice Policy Management

If you are an existing PICA policyholder, you have your own malpractice policy, so you're in the habit of notifying PICA regarding any changes to your practice, paying your premium, and renewing your policy. If you are canceling your own individual policy to join a large group's policy, the large group manages that policy. Policy management tasks like obtaining your certificate of insurance or paying premium can look different depending on the specific group, so we recommend speaking with the group's credentialing team or a staff member that handles their malpractice policy to get clarity on how you will be covered and their processes.



Tail Coverage

Are you joining a large group that insures their doctors on one group policy? If so, you should consider whether to purchase an "extended reporting endorsement" (often referred to as "tail coverage") to protect your prior acts. Each group can vary significantly, so we recommend discussing with the group whether this is a requirement to join the group. Some large groups require payment of tail coverage at closing, whereas PICA generally provides up to 30 days after cancellation for payment.



One-Time Retirement Tail Coverage Benefit

If you're planning to retire any time within a few years of joining a large group, you remain eligible for PICA's one-time retirement tail coverage benefit so long as you remain insured consecutively with us for five years preceding retirement. The good news is that simply moving from one PICA policy to another does not affect your eligibility.



As you navigate the transition from private practice to a large group practice, remember that there is no one-size-fits-all approach, and every situation is different. If you have questions about how best to make this transition, we would be happy to assist you! Contact PICA or your independent agent or broker to understand the nuances of joining a large group!

Disclaimer: Please refer to the actual policy and endorsements for complete details of coverage. Policy terms may vary based on individual state requirements. Issuance of coverage is subject to underwriting review and approval.