

Date	26 July 2023
Recipient	Stakeholders Writing Professional Liability Insurance in Newfoundland and Labrador
Subject	Newfoundland and Labrador – Mandatory requirements for Professional Liability Insurance with respect to Pharmacy Professionals and Licensing of Pharmacy Sites

<i>Purpose:</i>	To advise of the changes to the Newfoundland and Labrador Pharmacy Board Professional Liability Insurance Requirements
<i>Affects:</i>	Professional Liability for Pharmacy Professionals
<i>Line of Business:</i>	Professional Liability (Errors & Omissions)
<i>Jurisdiction:</i>	Newfoundland and Labrador
<i>Effective:</i>	Ongoing and no later than September 30, 2023

What you need to know

There are new provisions that must be included in all professional liability insurance policies held by pharmacy professional registered with NLPB, no later than September 30, 2023.

The Newfoundland and Labrador Pharmacy Board (NPLB) is the regulatory body that governs the practice of pharmacy in the province of Newfoundland and Labrador.

In accordance with the [Pharmacy Act, 2012 \(Act\)](#), the NPLB oversees the registration of pharmacy professionals (which includes pharmacists, pharmacy technicians, pharmacy interns and pharmacy students) and the licensing of pharmacy sites in the province. Sections 14e, 15(1c) and 17 (1e) of the [Act](#) along with sections 5c, 8a and 9a of the [Pharmacy Regulations, 2014](#) require that all pharmacy professionals registered with the NLPB obtain and maintain professional liability insurance coverage in an amount and form satisfactory to the NLPB.

The NLPB has an approved [Interpretation Guide](#) titled “*Professional Liability Insurance Requirements for Registration*” which sets out the requirements for pharmacy professionals as follows:

Requirements:

1. Professional Liability insurance must be personal insurance that names the pharmacist, pharmacy technician, student or intern personally as insured and covers the insured for all aspects of their practice and in all locations in the province in which that practice occurs.
2. An amount of \$2,000,000 per claim or occurrence and \$4,000,000 annual aggregate is minimum limit of coverage.
3. Either “claims made” or “occurrence” form. “Claims made” policies require an extended reporting period provision for minimum of three (3) years.
4. Policy must not contain a retroactive date and must provide for full prior actions protection.
5. Annual certificate of coverage provided by insurance carrier is required to confirm that the professional liability insurance policy meets the criteria set by the board.
6. Legal defence payments for regulatory proceedings or other legal proceedings must not erode the minimum limit of liability.

What’s changed

In August 2022, the NPLB made some revisions to the Interpretation Guide to add the following provisions to the Professional Liability Insurance Requirements:

7. The policy must include a clause to the effect that the insurer will notify the Board if the policy is cancelled, expires, or ceases to meet the criteria set by the Board.
8. The policy must include a clause to the effect that the policy continues in force in conformity with the criteria set by the Board until the notice described in section 7 of this Interpretation Guide is received by the Board.

These provisions must be included in all professional liability insurance policies held by pharmacy professionals registered with NLPB, no later than September 30, 2023.

What this means to you

Compliance with the NPLB Interpretation Guide is **mandatory** for all stakeholders who are writing Professional Liability insurance for pharmacy professionals in the province of Newfoundland and Labrador. Failure to meet the requirements may result in penalties.

Existing policies that do not currently include the above requirements should be provided with an endorsement before September 30, 2023.

All policies must include these requirements.

For further information, please contact lloydscanada@lloyds.com.

Marc Lipman

President, Lloyd's Canada Inc.

Attorney in Fact in Canada for Lloyd's Underwriters

LloydsCanada@lloyds.com