

## **Statement on Defining Standards for Malpractice Coverage in Emergency Medicine**

### ***Background***

Following the financial collapse of major staffing firms like Envision Healthcare, NES, and APP, many emergency physicians have been left exposed to malpractice claims without coverage—often due to ambiguous or inadequate contract terms, especially regarding tail insurance obligations. AAEM members report widespread confusion and inconsistency in how malpractice responsibilities are defined across agreements. In response, AAEM proposes these minimum contract standards to protect physicians from the legal and financial fallout of corporate instability and to promote fair and transparent contracting in emergency medicine.

### ***Policy Statement***

The American Academy of Emergency Medicine (AAEM) calls for all emergency medicine employment and independent contractor agreements to include clear, enforceable standards for malpractice insurance coverage, ensuring physicians are protected regardless of corporate financial stability. All contracts must:

1. Specify Coverage Type
  - Prioritize occurrence-based policies from state-licensed insurers.
  - If claims-made coverage is used, contracts must guarantee secured tail coverage extending through the applicable statute of limitations.
2. Define Payment Responsibility

Clearly state which party is responsible for purchasing the malpractice policy and any required tail coverage.
3. Clarify Policy Limits

Include explicit per-claim and aggregate liability limits.
4. Disclose Insurer Information

Name the insurer, confirm its licensure status, and disclose any ownership ties to the contracting entity.
5. Detail Tail Coverage Terms

For claims-made policies, specify who pays for tail coverage, its duration, and that it extends through the full liability period.
6. Include Insolvency Safeguards

Require a verifiable mechanism—such as a perfected security interest in receivables or a conditional letter of credit—to fund tail coverage in the event of bankruptcy, acquisition, or financial restructuring.

AAEM affirms that malpractice protection is a critical component of ethical physician contracting and calls on all staffing groups, practice management companies, and insurers to adopt these standards.