

## Indemnity payment – briefing note

As part of the 2017/18 GP contract agreement, it was agreed that £30m would be paid to practices to cover 2016/17 rises in indemnity insurance costs for all doctors delivering GMS work. This amount has been based on average rises in costs using figures received from surveyed GPs and medical indemnity organisations. This will be paid to practices on a per patient basis, set out under the Statement of Financial Entitlements (SFE), and will not be weighted as a result of the Carr-Hill formula. **This funding is intended to cover the average rise in indemnity cover costs.**

Practices will receive a payment of **51.6p per patient** based on their registered list as at December 2016. **This funding will be paid to practices in March 2017. Some payments have now already been made.**

These payments will be made to practices on the condition that, where principal and salaried GPs are paying for part or all of their indemnity costs, the practice will reimburse to them, from the payment received, an appropriate proportion of the amount which the GP has paid for their cover. The reimbursement amount should be based on the proportion of GMS services which the GP is providing for the practice.

It is recognised that every practice will have its own arrangements in place. In some practices, GPs are responsible for paying the entirety of their own indemnity costs. In some, part or all of the indemnity costs for GPs at the practice are paid for by the practice/reimbursed by the practice. Therefore, each practice will need to allocate payment to its GPs which is equitable and proportional based on their circumstances.

The conditions above will be set out in the revised SFE which will be in place from 1 April 2017. A similar funding arrangement has been confirmed for 2018.

Locum GPs will need to ensure that, as with all other business expenses, their charges reflect their costs, which should include indemnity insurance costs.