

The Inside Story of UMP Singapore

By A/Prof Goh Lee Gan

On 9 September 1999, A/Prof Goh Lee Gan received a telephone call from the CEO of the Medical Defence Union (MDU), informing of their decision to withdraw from Singapore, and to hand over all existing MDU memberships to the Medical Protection Society (MPS). The SMA Council conferred over this change of medical coverage and came to the conclusion that it should work on a second medical defence provider. UMP was thus invited to offer medical indemnity cover for Singapore doctors from October 1999.

The SMA Council of the day felt that they should work towards greater local participation. The then CEO of the United Medical Protection (UMP), Dr Richard Tjiong was already known to some SMA Council members, and he had expressed support for SMA working towards a locally run medical defence organisation. As such, the idea of working with UMP was seen as an opportunity to do this.

Some time earlier, NTUC Income also came to talk to the SMA Council about a claims-made cover. NTUC Income was an acceptable party for consideration because it was a cooperative, and not a profit-based company. However, the Council thought that the claims-made cover seemed rather restrictive, compared to occurrence-based coverage. Therefore, the Council declined their offer.

AON also approached SMA with the view of being a medical defence organisation. As a matter of policy, the Council decided not to work with AON because it was profit-based.

It was a frantic 1-month race to get UMP in. SMA worked out a 3-phase plan with UMP and a Memorandum of Understanding (MoU) was signed. Thereafter, SMA started its work as a commission agent of UMP Australia.

PHASE I

In Phase I, SMA would function as a commission agent. It carried on in this

capacity from October 1999 until May 2002, when UMP Australia was handed over to the Provisional Liquidator.

Dr Tjiong, together with A/Prof Goh and Dr Lim Teck Beng, had met with some insurance people in Singapore, to find out the requirements for setting up a local medical defence organisation.

Through these meetings, it was found that in order to register with the Monetary Authority of Singapore (MAS) as a medical defence insurer, the first requirement was a large fund reserve. There was also the need for a medical adviser. Thus, Dr Lim was appointed as Honorary Medical Adviser, in which role he has helped to resolve amicably some 25 to 30 complaints between doctors and patients.

PHASE II

In November 2000, United Medical Protection of Singapore Private Limited was incorporated as a dormant \$2 company in Singapore. The next step was to form the local management committee.

In November 2001, Dr Tjiong and Dr Ken Atkinson, Deputy Chairman of UMP, met with A/Prof Goh and Dr Lim Teck Beng in Singapore and earmarked the people to be appointed to the local committee: Dr Richard Tjiong, Dr Ken Atkinson, Dr Lim Teck Beng, A/Prof Goh Lee Gan and Dr Yeo Khee Quan.

On 25 April 2002, SMA was informed that Mr Allan Hunter, General Manager of UMP, who was supposed to speak at the SMA House Officers' Seminar on 28 April 2002, was unable to come. The events that followed were reported in the August 2002 issue of the SMA News.

PHASE III

According to the SMA-UMP MoU, Phase III would involve setting up a local medical defence organisation (MDO) with UMP case management support. Given the current state of events, this could not materialise, so the local

MDO endeavour is stuck between Phase I and II. The result was that UMP of Singapore Private Limited remains dormant and is not an operational entity.

With regard to the question of when SMA had first known of the crisis, the first official news was the telephone call from Mr Allan Hunter on 29 April 2002. He informed that the UMP Board, at its meeting on 29 April 2002, had decided to hand over the running of the company to the government. And on 3 May 2002, the UMP Provisional Liquidator was appointed.

Meanwhile, on 2 May, the SMA Council, at an extraordinary Council Meeting, decided to be proactive and to look for alternative cover. So directions were given to talk to two parties – MPS and NTUC Income. Dr Lee Pheng Soon spearheaded the MPS venture and asked for prospective and nose covers. A/Prof Goh spearheaded the venture with NTUC Income, and held discussions with Mr Tan Kin Lian, CEO of NTUC Income, about providing medical indemnity cover for doctors.

WHAT ARE THE NEXT STEPS?

WHAT ABOUT A CLASS ACTION?

The SMA Council had repeatedly requested the UMP Provisional Liquidator to provide tail cover for Singapore UMP members. The UMP's stand not to provide any more cover for Singapore members after 3 May 2002 (date of commencement of provisional liquidation regime) was confirmed in the Provisional Liquidator's latest letter of 21 August 2002.

The options for the next steps were discussed during the SMA Council's dialogue session with UMP members on 1 September 2002. The idea of a class action against UMP was considered. It is a judgment call for all Singapore UMP members. The present SMA Council is of the view that it cannot pay the legal fees for this action. However, SMA will help to source for lawyers on behalf of UMP members, if they so desire.

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Dr Balaji Sadasivan, Minister of State for Health and Environment, had stressed that the Ministry of Health (MOH) looked upon the UMP issue as a private contract between the doctors and the insurance company. Hence, MOH would leave it as a matter to be dealt with by the doctors themselves.

In the meantime, SMA had also written to the Ministry of Foreign Affairs (MFA) to request for support and assistance for a class action by UMP members.

THE FUTURE

Occurrence-Based Cover

Based on recent regional experiences involving MDU and AON, occurrence-based cover may be difficult to sustain in the long run. NTUC Income was not

successful in finding reinsurers to provide this form of cover.

Limiting Awards

Next, is the idea of setting limits to awards. Awards for medical related injuries, as advised by MOS Dr Balaji during the dialogue session, are based on Common Law principles that cut through every profession. As such, setting limits to awards for medical related injuries is still something the profession has to work on.

AMA-IPI

Perhaps, an important idea is attention to individual and system factors. There is a need to see how to avoid medical accidents, and how to keep patient consents really informed. That is why SMA has formed a workgroup AMA-IPI (Avoid Medical Accidents – Improve Patient

Information), which is earnestly looking to develop a blueprint for the medical profession to follow.

Mediation

Lastly, there are the unavoidable mishaps that happen in medical practice. Things will happen, whether because of misadventure or bad luck. As the Chinese saying goes, *“If one were to go up the mountain often enough, one would meet the tiger.”* The idea of mediation and settlement out of court may be the thing to do. In the course of Dr Lim’s work as a case manager for UMP, he has found the best time to mediate is before the patient (plaintiff) consults a lawyer. When the patient is still thinking about suing, that is the time to discuss with him or her, and see what can be done to mediate the situation. ■