

**PROPERTY INSURANCE AND LIABILITY INSURANCE
OF PHARMACISTS AND PHARMACIES
IN THE OLSZTYN MARKET**

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Key words: pharmacy insurance, third-party liability of a pharmacist, choice of insurance.

A b s t r a c t

This article brings up a very important and current issue concerning the insurance of pharmacists and pharmacies. The aim of the research undertaken was to present the range and factors determining the choice of insurance products for pharmacies and pharmacists operating in Olsztyn. The study is focused on products ensuring protection for the properties owned and used in pharmacies, as well as third-person liability insurance related to the business activity and to the professional practice of a pharmacist. It identifies the most popular insurances in the examined population and specifies the factors determining their choice.

**UBEZPIECZENIA MAJĄTKOWE ORAZ OC FARMACEUTÓW I APTEK
NA RYNKU OLSZTYŃSKIM**

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S ł o w a k l u c z o w e: ubezpieczenie apteki, odpowiedzialność cywilna farmaceuty, wybór ubezpieczenia.

A b s t r a k t

W artykule podjęto bardzo istotną i aktualną tematykę ubezpieczenia farmaceutów i aptek. Celem podjętych badań było przedstawienie zakresu i czynników wyboru ubezpieczeń aptek i farmaceutów działających na terenie Olsztyna. Uwagę skupiono na produktach zapewniających ochronę zarówno posiadanego i wykorzystywanego mienia, jak i odpowiedzialności cywilnej z zakresu prowadzonej działalności oraz wykonywania zawodu farmaceuty. Zidentyfikowano najbardziej popularne ubezpieczenia w badanej populacji oraz określono czynniki, które przesądzą o ich wyborze.

Introduction

In a growing, competitive economy, each company is endangered with a risk related to running a business activity. Since the dawn of time, man has been trying to minimise this risk. Insurance has become a perfect method for reducing risk and, more precisely, for transferring the risk onto another entity and replacing its undetermined amount with a small, known loss (in the form of a premium paid in advance) (KRÓLIKOWSKI 2006). The literature of the subject increasingly more often contains a message addressed to businessmen, which is a particularly good piece of advice, encouraging taking protective measures against the effects of negative unfortunate events. This protection means investing a part of one's funds into an insurance policy (ZIÓŁKOWSKA 2002).

The article brings up the issue concerning the insurance of pharmacies and pharmacists who work in them, as this activity is burdened with more complex risk. Apart from the risk of running business activity, to which all companies are exposed, this involves the risk of making a mistake while attending the customers and mistakes concerning reimbursed medicines. In order to meet the demands of this sphere of activity, many insurance companies have constructed a special product addressed to pharmacy owners (entities running pharmacies) and pharmacists employed in them (including pharmacy technicians), regardless of the form of running the business activity. These are usually complex products, covering both the insurance of property against theft, as well as third-party liability insurance related to owning and running the pharmacy, and to practicing the profession of a pharmacist.

The aim of this study was to present the range and factors determining the choice of insurances for pharmacies and pharmacists operating in Olsztyn.

The research included all pharmacies operating in Olsztyn. According to the data provided by the Provincial Pharmaceutical Inspectorate, 69 public-access pharmacies operate in Olsztyn (Wojewódzki Inspektorat Farmaceutyczny).

A survey questionnaire was used to accomplish the research objective. The questions included in the questionnaire concerned, among others: the current status of the insurance protection and its extent, the duration of this protection, the choice of the insurance company, the amount of the premium and the sum insured.

Insurances of pharmacists and pharmacies

Insurance addressed to pharmacy owners and to pharmacists are constructed in various ways. A basic offer is made of standard products ensuring the protection of property. This protection can be extended by signing clauses

exclusively and directly related to pharmacies and pharmacists. Clauses recommended by professionals include, for instance: utilization of damaged medicines, covering financial losses related to the loss of prescriptions for reimbursable medicines, third-party liability insurance related to dispensing an inappropriate medicine or a medicine past its expiration date (*Farmacja praktyczna*). The significance of the above-mentioned subject matter is proved by the fact of posting it at the website available only for medical and pharmaceutical community, www.farmacjapraktyczna.pl. The third-party liability insurance of a pharmacist is required by the National Health Fund while signing contracts. Thus, for instance, a pharmacist selling incontinent briefs or orthopaedic means must have professional third-liability policy, since the National Health Fund considers that such a person is a healthcare provider. The required policy should be concluded for the amount of €12,000 per event and €65,000 for all events (*Farmacja i ja*, JAWORSKI 2010).

However, the advantages of having this type of insurance protection seem to be greater. The trust in a pharmacist working in a pharmacy plays a significant role in its activity, since this person directly affects our health and, sometimes, even our life. Third-party liability insurances for pharmacists and pharmacies have been also produced for “image purposes” – this product creates higher liability of the insured towards the persons to whom services are provided. This is about a particular type of the feeling of safety – if damage is caused which the insured is obliged to repair, the insurer will pay due compensation to the third party. On the other hand, from the point of view of a pharmacist or the pharmacy owner, insuring companies often pay attention to the importance of minimising own risk related to running a medical or professional practice (JAWORSKI 2010).

Currently in our market, insurance coverage addressed to pharmacists and pharmacies can be found in the offers of many insurance companies. The largest insurance companies (gathering around 1 billion or more of written premium a year) use incentives of various types, thus promoting their product. The possibility to choose the extent of the insurance protection and its adjustment to individual needs of the customer has become a standard solution. Offers providing for an instalment plan of payments have become common, thus allowing better adjustment of the premium payment to individual expectations of the customer. Equally often, it is possible to reduce the premium for non-claim insurance history and for concluding a group insurance agreement for persons employed as pharmacists in a given pharmacy. Since many pharmacy owners do not have specialist knowledge in the field of insurance and are reluctant to complete the related formalities, an efficient and reliable service (offered by the insurance companies), both at the stage of concluding the agreement, as well as when the damage occurs becomes an important element.

Research results

The research was carried out on a sample made up of all pharmacies (69 entities) from Olsztyn. The questionnaire was completed and returned by 42 entities. This is a satisfactory result, accounting for 60.9% of the examined population. In the great majority, the owners of pharmacies were women (30 persons). The examined group included 12 men. The owners of Olsztyn pharmacies are persons with an average age of 46–60 years. This age group numbers 19 persons. Another group is made up of 14 persons above 60 years of age. Eight persons are aged 36–45 and only one person is in the age group of 25–35 years.

At present, 24 independent pharmacies and 18 network entities operate in Olsztyn. 31% of the examined entities are free-standing pharmacies and 69% of them are located in a complex of buildings.

As a result of the studies performed, it was found that not all pharmacies have concluded insurance agreements. 81% of the examined entities have insurance protection for running a business activity. The figure below presents the types of insurance of the owners of Olsztyn pharmacies (Fig. 1).

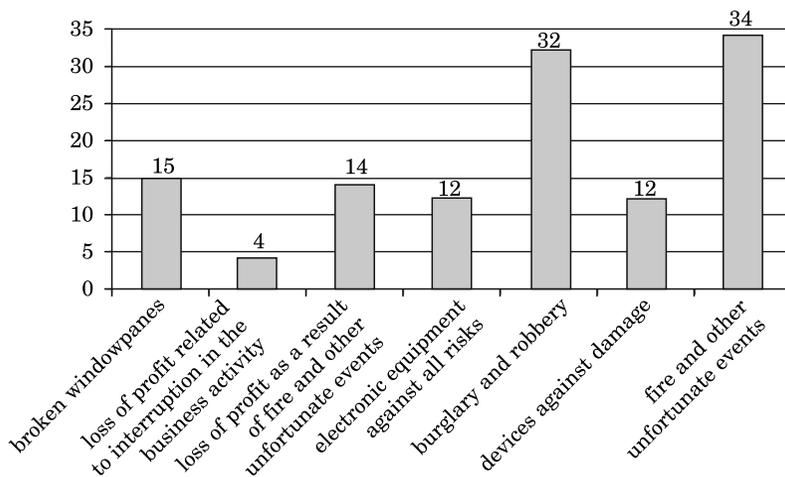


Fig. 1. Risks insured by the owners of Olsztyn pharmacies

Source: Own study on the basis of research.

As results from the data presented in Figure 1, the most popular insurance related to running a business activity is insurance against fire and other unfortunate events. 34 pharmacy owners (i.e. all who bought protection for running a business activity) declared having such protection for both the fixed property and the movable property. “Fire” insurance is often treated as a basic

insurance. This basis is often extended by buying protection against burglary, which was confirmed in this study. As many as 32 pharmacies have such protection. The remaining types of risks included in the research are characterised by a similar level of popularity. Thus, 15 pharmacies have insurance for windowpanes against breaking, 14 pharmacies have been insured against a loss of profit as a result of fire and other unfortunate events (this insurance is often treated as an extension to the insurance of fixed and movable property against fire and other unfortunate events) and insurance of electronic equipment against all risks and devices against damage have been declared in 12 cases. The smallest group of the respondents (4 pharmacies) claimed having insurance against the loss of profit related to interruption in their business activity.

During the research, particular attention was given to the popularity of insurance against risks strictly related to the activity of pharmacy. The obtained data are presented in Figure 2.

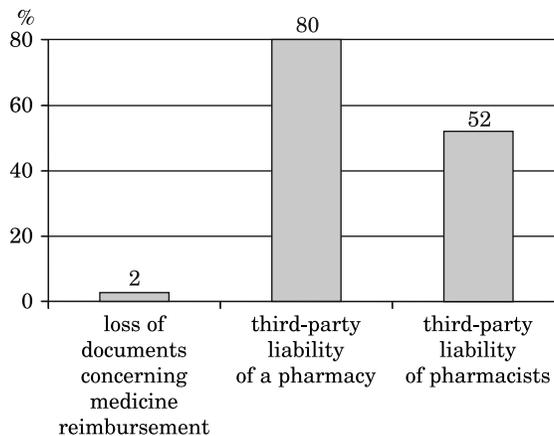


Fig. 2. Insurance of Olsztyn pharmacies directly related to the specific character of their activity
Source: Own study on the basis of research.

On the basis of the data presented in Figure 2, it can be claimed that the insurance which, apparently, should be often concluded, enjoys the lowest popularity. Only 2% of the surveyed claimed protection against the loss of documents concerning reimbursement of medicines. This is a very low result in view of the fact that differences in the price between reimbursed and full-price medicines are very high, and the pharmacist who sells the medicine for the reimbursable price and loses the required documents suffers a loss resulting from the price difference of the medicine.

The situation in case of third-party liability insurance of pharmacists is definitely better. Such protection has been bought by many more owners – 80% in the analysed case. 52% respondents also declared having third-party liability insurance for a pharmacist. In each case in which a third-party liability insurance agreement was concluded, it concerned (pursuant to respondents' answers) liability in tort – the damage arising as a result of a tortious act related to owning a property. This could be, for instance, a situation in which an improperly-placed advertising stand falls on the customer. On the other hand, the purchased third-party liability insurance of a pharmacist is, first of all, a contractual liability – concerning a failure to perform or improper performance of an obligation. Its scope include: dispensing a wrong medicine, dispensing a medicine past its expiry date, improper making of a medicine on-site, in the pharmacy.

An important part of the research was to identify the factors directly influencing the conclusion of an insurance agreement (Figure 3).

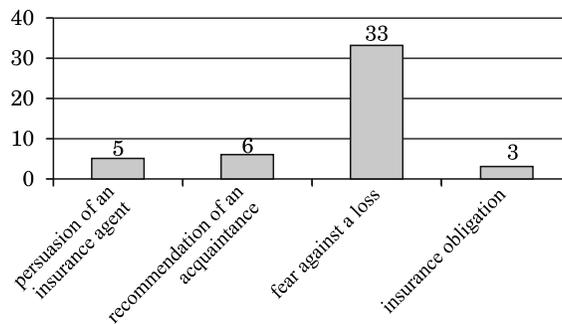


Fig. 3. Reasons for concluding the insurance agreement

Source: Own study on the basis of research.

This part of the study allowed multiple selection answers. As results from Figure 3, the most often indicated reason for concluding the insurance agreement was the fear against the occurrence of a loss. Such an answer was provided by 33 respondents. Other mentioned factors proved less important. In the examined group, six persons admitted that their acquaintance convinced them to buy the insurance policy, while only three persons declared that insurance was a part of their obligations related to the activity pursued.

The specification of reasons for choosing an insurance company proved equally interesting. The results of the study are presented in Figure 4. Here, as in the previous point, multiple selection answers were allowed.

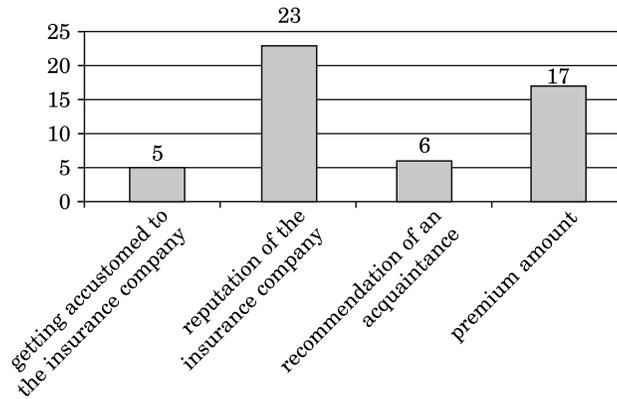


Fig. 4. Determinants for selecting the insurance company

Source: Own study on the basis of research.

Despite declarations of having read the general terms and conditions of insurance and making an informed choice of insurance products offered by a specific insurance company, none of the examined persons emphasized this fact while responding to the question concerning the factors for selecting a specific insurance company as a provider of insurance protection. As results from the above data, the reputation and market position of the insurance company is the most important for respondents. The research revealed that the declared reputation translates into the choice of services provided by PZU S.A. This regularity was observed in a definite majority of cases. The second-most popular insurance company in Olsztyn was Generali. Price is still very important while purchasing the policy. It is difficult to clearly specify the importance of coverage directly related to the real needs of the policy holder in cases of purchasing cheap insurance – here, no responses allowing definite conclusions to be drawn were obtained. Most frequently, no answer was provided to this question. This relationship still remains an open subject.

An attachment to one insurance company can be observed in the examined population. 79% respondents claim that they have never changed their selected insurance company, while 21% admit a one-time change. The reasons for a declared change were, respectively:

- a new, most advantageous offer;
- lack of satisfactory, professional consultancy in the previous insurance company;
- a high insurance premium.

The owners of Olsztyn pharmacies were also asked about personal accident insurance related to the activity of the pharmacy. It should be mentioned here that such insurance is offered by insurance companies and is often included in

packages addressed to pharmacies. In the examined population, only 20% respondents declared having this type of protection.

Conclusions

The research undertaken made it possible to characterise the popularity of specific types of insurance in the pharmacy market of Olsztyn. The survey found that not all pharmacies were insured. The most popular among the respondents are undoubtedly insurance policies related to running a business activity and, in this group, protection against fire and other unfortunate events was declared by 81% respondents. Insurance against burglary was declared by only two entities less, while fifteen pharmacies have insurance for windowpanes against breaking which, in the context of the examined population, is quite high.

A surprisingly low result was obtained while verifying the popularity of insurance typical for running a pharmacy. Only 2% of the respondents were insured against the risk of losing documents concerning reimbursement of medicines, while about 52% had signed third-party liability insurance agreements for pharmacists. This is not a very satisfactory result in view of the fact that the coverage of this insurance provides a significant protective umbrella for practicing the profession of a pharmacist, as mentioned in the text.

The fact of concluding an insurance agreement is, first of all, influenced by the fear against the occurrence of a loss. On the other hand, the choice of the insurance company is more often determined by its popularity in the market and the price (premium amount) for which it is willing to protect the customer with its insurance coverage rather than by specific, precise needs and the analysis of the conditions specified, for instance, in the general terms and conditions of insurance for the product offered.

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