INSURANCE 101

PSYCHE
the policy for psychology

TAIL COVERAGE

You spend years building your career, your reputation, and your client relationships. But what happens to that protection when you change jobs, switch insurers, or decide to retire?

That is where tail coverage comes in and will help keep you protected, even when your career shifts.

WHY CONTINUITY OF COVERAGE MATTERS

Malpractice insurance protects you only when the coverage is active. For claims-made policies, in order for coverage to be triggered, the alleged wrongdoing must happen while the policy is in force and the claim must be made while the policy is in force.

If you cancel a policy or move to a new insurer without arranging for continued coverage, you could encounter a gap in insurance coverage and suffer potentially devastating financial consequences as a result. It is like locking the front door but leaving the back window open. The policy ends, but the risk stays behind.

Tail coverage and prior acts coverage close that window. They make sure the work you did in the past remains protected.

WHAT TAIL COVERAGE IS

Tail coverage, also known as an extended reporting period, provides coverage for claims that are made while your prior policy was active, even after that policy has ended.

It acts as a safety net that covers your past professional services. It does not cover new work after your policy ends, but it provides coverage for claims made after the policy is no longer active.

Tail coverage is often used when:

- You retire or take a break from practice
- You leave an employer's group policy

Tail coverage can be purchased for a limited number of years or as an unlimited option. The unlimited option allows a claim to be made at any time in the future for incidents that occurred during your active policy period.

Some insurers provide free tail coverage in specific situations, such as death, disability, or retirement after a set number of years being insured.

WHAT PRIOR ACTS COVERAGE IS

Prior acts coverage, sometimes called nose coverage, protects you for your previous work when you move to a new insurer.

Your new policy adopts your original retroactive date, which is the start date of your first continuous coverage. It then covers claims related to incidents that occurred after that date, even though they happened before the new policy began.

For example, imagine your first claims-made policy started on January 1, 2018. You switch insurers in 2025 and want to continue with a claims made policy. The new policy will carry an effective date in 2025; however the retroactive date of coverage will be January 1, 2018. This will ensure coverage for claims made that occurred as far back as January 1, 2018, as long as you have not had any gap in insurance coverage.

This option is ideal if you plan to continue practicing and want to keep your coverage history intact without purchasing a separate tail policy.

TAIL VS. PRIOR ACTS: HOW THEY COMPARE

Feature	Tail Coverage	Prior Acts Coverage or Retroactive date
When you use it	After leaving a policy or retiring, or if you switch to an occurrence policy	When switching to a new insurer
What it does	Extends time to report claims from past work	Carries your retroactive date to the new policy
Covers new work	No, just for claims made for professional services provided while policy was in force	Yes, after new policy starts
Who provides it	Your previous insurer	Your new insurer

Both options exist to keep your protection continuous. The right one depends on whether you are leaving practice or continuing to work under a new policy.

WHEN TO THINK ABOUT THESE OPTIONS

Certain career transitions are key moments to review your malpractice coverage:

- **Retirement or taking time off.** Tail coverage ensures that you remain protected for claims reported after you stop practicing.
- **Switching insurers.** Prior acts coverage allows your protection to continue seamlessly with your new policy.
- **Leaving an employer or group practice.** Make sure you understand when your group coverage ends and when your individual policy begins.

The best time to review your options is before your current policy ends. Psyche can help you evaluate your situation and choose the approach that fits your next step.

HOW PSYCHE HELPS KEEP YOU COVERED

Psyche malpractice insurance coverage is designed to protect psychologists through every stage of their career. Whether you are switching roles, joining a new practice, or preparing for retirement, our team helps you keep your coverage continuous.

When the need arises, we explain what tail and prior acts coverage mean for your unique situation, guide you through timing and eligibility, and make sure your protection stays uninterrupted. You will always have a clear understanding of how your coverage works, what it costs, and how to keep your past work secure.

With Psyche, you can transition confidently, knowing that your professional protection follows you wherever your career leads.

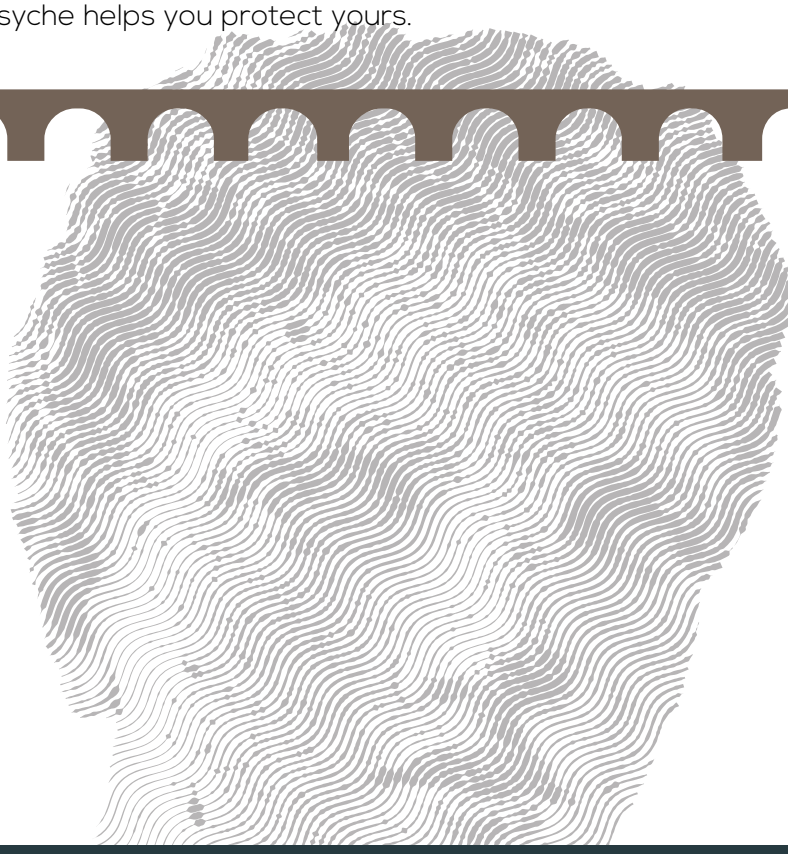
IN SUMMARY

Tail and prior acts coverage are designed to do one simple but essential thing: protect the work you have already done.

With Psyche, you can make career changes, retire, or adjust your practice knowing your coverage remains steady and your peace of mind intact.

Your clients trust you with their well-being. Psyche helps you protect yours.





INSURANCE DESIGNED FOR PEACE OF MIND

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