

The Increasing Sustainability Threats to Community Pharmacies in Low- and Middle-Income Countries: Insurance Coverage Barriers and Policy Recommendations

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ABSTRACT

Because of the nature of their practice and location, community pharmacies subject their owners and employees to heightened risk from theft, fire, and malpractice, among other threats. As a result, liability insurance is required for community pharmacies and their personnel. This paper describes the vulnerability of community pharmacies and their employees to liabilities, as well as the insurance options and benefits they offer. Finally, challenges to insurance policy uptake by community pharmacies in low- and middle-income countries were identified, and recommendations to help promote insurance uptake were made.

Keywords: Community pharmacy, Insurance policies, Low- and middle- income countries, Pharmacists, Threat.

INTRODUCTION

World Bank for operational purposes and financial and economic development services, currently classify countries as low- and middle-income countries (LMICs) if their gross national income per capita are between \leq US\$1,045 and US\$12,695.¹ Low- and middle-income countries make up a large share of the world's population and economic activity, and they are keys to global economic growth. Countries in this category are a very diverse group by region, size, population, and income level, ranging from tiny nations with small populations, such as Togo, Chad, Belize and the Marshall Islands, to all four of the giants (Brazil, Russian federation, India, and China).¹

Aside from the increasingly patient-centered pharmacy practice, political instability, unsafe business and practice environments in most LMICs, community pharmacists are frequently overworked, particularly in

busy retail pharmacies. They are juggling various jobs throughout the day, such as monitoring drugs, phoning physicians, providing immunizations, ensuring there are no drug-drug interactions, counseling patients, and overseeing technicians. With bustling retail locations completing a high volume of prescriptions on a daily basis, there are several potential for error.²

Insurance Policies for Community Pharmacies and Pharmacists

Over the last 20 years, the rise of emerging markets has been a prominent theme in insurance.³ Insurance in emerging nations has increased significantly, yet there is still severe protection gaps.³ When individual had worked hard to gather the most precious and costly company possessions, insurance coverage gives protection against loss or damage to such valued possessions. Threats exist in every business or practice. Community pharmacies and pharmacists

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in general are not exceptions. The list goes on and on, from thievery to natural disasters to man-made disasters.

Insurance is defined as an arrangement by which a company or the state agrees to give a guarantee of reimbursement for specified loss, damage, illness, or death that may occur during the usual course of business and/or practice in return for payment of a specified premium.^{4,5} Insurance policies, in other terms, are contractual agreements between the insurer and the insured. The contract specifies information such as what is insured, the cost of the insurance, the rules for making a claim, and the terms of payment if the claim is honored.⁶ This coverage provides some peace of mind in the event of a threat, such as fire, burglary, theft, malpractice, or other misfortune or unanticipated circumstances.

Types of Insurance Policies

There are many types of insurance coverage for community pharmacy, including:

General Liability

This is the most typical type of community pharmacy coverage. This covers any medical bills or costs incurred by anyone who is injured or cost of anybody who suffers injury or damages inside the premises due to error on the part of the community pharmacy setting or staff.

Professional Indemnity/Malpractice Insurance

Professional indemnity insurance shields community pharmacists from negligence claims resulting from errors, omissions, and failure to perform in the provision of professional advice or services. Over the last few decades, the pharmacy profession has become increasingly patient-centered, with increased responsibility and patient care responsibilities. A community pharmacist's multifaceted role has a considerable positive impact on patients' health.² It may, however, result in errors and expose pharmacist to a malpractice lawsuit or claim. When drug errors result in injury or death, the pharmacist may be held accountable. As a result, pharmacists are now required to obtain professional liability insurance. Purchasing this insurance policy could translate to a community pharmacist investing in his career, livelihood, and professional future.

Business Property

This coverage is extensive. Most insurance providers state what they can and cannot cover based on the payment plan. It protects business properties from theft, fire, and storm, natural disaster, man-made disaster, and

war, among other threats. Though, it may not cover catastrophic disasters such as floods and earthquakes. As a result, community pharmacies in high-risk locations may require a supplementary insurance policy.

Business Interruption

This coverage reimburses a community pharmacist for lost income caused by incidents that disturb the normal course of business and practice.

Data Compromise

Most community pharmacies store in their computer patient information, which must be kept confidential. A breach of such data by unauthorized parties may result in the exposing of patients' records to the wrong hands, which may result in litigations. This insurance covers the costs of recovering such data as well as any judicial cases that may arise.

Equipment Breakdown

Equipment is used by community pharmacists. Computers, electric power sets, and closed circuit television are examples of equipment. Some of these devices can fail at any time. If this type of insurance was obtained, it is the insurance company's responsibility to remedy it as soon as feasible. However, most insurance firms define when they will accept liability if the device malfunctions. Some indicate that they will only accept responsibility if the device breaks down while in use. The cost of insurance always determines how far it can cover.

Employment Practices Liability

The majority of community pharmacy employees are there for their gains. Some of them hunt for pharmacy loopholes in order to pay out. Some employees may file legal claims for money utilizing community pharmacy legal documents as a source of information. It is the insurance company's responsibility to fight for a community pharmacy that has this insurance policy.

The Benefits of having Appropriate Insurance Coverage for Community Pharmacies and Pharmacists

The insurance policy protects pharmacy personnel and business inventory in the event of a calamity such as professional errors, fire, flood, explosions, vandalism, and theft, among other threats. There are numerous reasons why it is critical for community pharmacy to have insurance:

- (i) Property insurance can help to safeguard many

various components of the community pharmacy business, including all of the assets within the pharmacy and the business location itself. Because vandalism, theft, and other threats are prevalent in today's environment, having property insurance is essential for community pharmacists who are even slightly concerned about these types of threats occurring.

- (ii) Given the comparatively modest cost of paying for property insurance, it is more than worthwhile to have it as opposed to what it would cost to fix a condition that would be covered even if no insurance was purchased.
- (iii) Another advantage that a property insurance policy can provide is monetary value. Property insurance companies will compensate for damages or losses incurred in instances such as fire or theft. Property insurance is thus a tool for community pharmacists to safeguard themselves and their interests.
- (iv) Insurance is widely recognized as a financial stabilizer that helps firms level out financial volatility. As a result, community pharmacies can benefit from lower risks, better stability, and sustainability that appropriate insurance coverage can provide.

The Consequences or Risk of Operating a Community Pharmacy without Insurance Coverage

Nothing in life is worse than an unforeseen natural or man-made tragedy that takes away an individual's or his community pharmacy's earning ability or assets. As a result, ensuring that a community pharmacy is safeguarded from a variety of dangers and potential events is critical for the following reasons:

- (i) A community pharmacy's loss without insurance coverage is more than just a cash loss. In fact, it may lose its whole property, as well as the owner's and workforce's primary source of income.
- (ii) There are numerous concerns that community pharmacies may confront. Not only is community pharmacy property vulnerable to being broken into, damaged, or destroyed, but it is also vulnerable to additional hazards such as public liability, professional indemnity, allegations of unfair dismissal, theft, and legal procedures costs, among others. The financial consequences of these hazards jeopardize the profitability of the investment, as well as the owner's and his interest.⁷

- (iii) Community pharmacies that are underinsured or do not have broad, sufficient, and adequate coverage are taking unnecessary risks that could result in major financial difficulties or even bankruptcy. In a crisis, a community pharmacy that lacks insurance or is underinsured can be utterly destroyed.

Barriers towards the Provision of Insurance Coverage for Community Pharmacies in LMICs

A variety of impediments on both the demand and supply sides include:

Demand Side

- (i) The majority of the public lacks knowledge and understanding of insurance coverage terms, conditions, and benefits: Despite increasing theft and fire outbreak in community pharmacies in LMICs, most pharmacy owners still lack knowledge and understanding of insurance. In event of theft and fire outbreak or other high risk threats to community pharmacies in LMICs, most community pharmacy owners resort to begging for financial assistance to help bring their pharmacies back to life.
- (ii) Lack of implementation of existing business insurance laws or regulations for businesses and professional practices, including community pharmacies and pharmacy practice. Most LMICs have laws and regulations for business and practice insurance, but implementation of those laws and regulations is far from being effective. Thus, many businesses, including community pharmacies operate without any form of insurance.
- (iii) There is a lack of trust in the insurance industry. Individuals in LMICs who are risk averse may be skeptical about paying a premium for both tangible and intangible products with future benefits that may never be received.
- (iv) Cost: To those who may wish to purchase insurance policies for their pharmacies, cost of premium may be a challenge. Even when money is scarce, or revenues down, community pharmacy owners should not neglect their insurance needs. Unforeseen threats happen all the time and community pharmacy owners need to be protected at all times. It is important for community pharmacy owners not to leave themselves vulnerable, and to make sure they have the insurance they need to cover all the risks present in their pharmacy.
- (v) Low scale or no litigation: Community pharmacies

in LMICs suffer low scale or no litigations due to low scale of implementation of patient-centered pharmacy care and low knowledge of patients'/clients' right. This is contrary to what is tenable in high income countries where there are high level of implementation of pharmaceutical care and high knowledge of ones right which warrants a certain level of insurance cover. Nevertheless, increasing escalation of pharmaceutical care and healthcare information explosion in LMICs will no doubt result in increasing litigations. This underscores the need for community pharmacy owners in LMICs to understand what insurance is all about and stimulate some level of uptake.

Supply Side

- (i) Insurance companies' insufficient awareness creation about the value of insurance because insurance is time-consuming and costly.⁸
- (ii) Policy language requirements are not always appropriate for non-insurance professionals, such as community pharmacists and pharmacy proprietors.
- (iii) Insurance companies cannot cover composite business, despite the fact that it may be a suitable structure for community pharmacies.

Policy Recommendations

- (i) As in high-income countries, existing insurance laws and regulations for community pharmacies and practicing pharmacists should be implemented in LMICs.
- (ii) Government supervision of the insurance sector is necessary because developing a risk-management culture is challenging enough; it only takes one or two unsuccessful enterprises to destroy it.⁸
- (iii) The governments of the LMICs should make better-informed decisions on the costs and advantages of providing insurance versus supporting other poverty reduction and risk management initiatives.
- (iv) There is a need for a regulatory framework that promotes insurance industry trust.
- (v) Regulation should allow insurance policies to be written in clear language, free of legalese, to guarantee that the majority of the public understands the terms, conditions, and benefits. Insurance firms or an industry group might take the lead in drafting policy wording that is easy to understand.

Other Recommendations

- (i) There is a need for risk awareness to be raised through education and outreach activities. The extension of insurance education to the community pharmacy involves teaching the owners to raise their knowledge and understanding of insurance policies, as well as to remove their prejudice against it.³ Understanding how insurance works is critical for making informed decisions and increasing stakeholder cooperation. To develop an insurance culture, communication and education initiatives must extend beyond sales.⁸
- (ii) Insurance companies should create conducive environment for the expansion and sustainability of the growing insurance industry in LMICs.
- (iii) A need assessment by a professional organization and/or insurance companies should be put in place to evaluate the type and degree of cover that each pharmacy needs to obtain based on the nature and extent of the risk linked to such pharmacies and their activities. This would ensure that if the pharmacy, its employees, or its customers were harmed, adequate compensation would be paid following a successful claim.
- (iv) Pharmacy owners must ensure that they have appropriate insurance arrangements in place for their pharmacy properties and pharmacy services provided at or from their registered pharmacy or any associated premises, in accordance with best global practice under standards for registered pharmacies.⁹
- (v) Existing insurance barriers should be examined in order to uncover innovative strategies to expand the reach of insurance in LMICs.
- (vi) An empirical study is needed to examine the present knowledge and practices of community pharmacists and pharmacy owners in LMICs regarding insurance policies.

CONCLUSION

Insurance is crucial to the long-term viability of community pharmacy and their ability to fulfill their primary mission of providing medications and medication-related needs to the communities they serve. Insurance promotes risk reduction and prevention. Insurance, by providing ex-post financial protection, enables organizations to recover more swiftly after a shock occurrence. At the same time, it serves as a conduit for savings to be channeled into productive investment.

As a result, mandatory insurance policies for community pharmacies and effective implementation of these policies can promote insurance uptake among pharmacists in LMICs. Governments and other stakeholders in LMICs, including insurers, must raise risk awareness through education and outreach campaigns. Finally, in order for businesses, especially community pharmacies, to fully benefit from insurance, governments of various LMICs must provide a regulatory framework that supports trust in the industry.

CONFLICT OF INTEREST

The author declares that there is no conflict of interest.

ABBREVIATIONS

LMICs: Low- and Middle-Income Countries, **US:** United States.

SUMMARY

- Because of the nature of their practice and location, community pharmacies subject their owners and employees to heightened risk from theft, fire, and malpractice, among other threats.
- Nothing in life is worse than an unforeseen natural or man-made tragedy that takes away an individual's or his community pharmacy's earning ability or assets.
- As a result, liability insurance is required for community pharmacies and their personnel in LMICs.
- The insurance policy protects pharmacy personnel and business inventory in the event of a calamity

such as professional errors, fire, flood, explosions, vandalism, and theft, among other threats.

- The commonest barrier to uptake of insurance policies for community pharmacies in LMICs is lack of knowledge and understanding of insurance coverage terms, conditions, and benefits.
- As in high-income countries, existing insurance laws and regulations for community pharmacies and practicing pharmacists in LMICs should be enforced.
- Further, government of LMICs should make better-informed decisions on the costs and advantages of providing insurance versus supporting other poverty reduction and risk management initiatives.

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