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New Swiss Re focus report:  
Prion infection on the rise? Hospitals in need of modern risk management

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**Zurich, 20 August 2003 – Liability insurance for hospitals is becoming ever more problematic for insurers. Extensive premium increases in recent years have failed to prevent the insurability of hospitals being called into question. Against this background, a new risk has emerged: the possibility of infection by the new variant of Creutzfeldt-Jakob disease (vCJD). In future, hospitals will inevitably have to change their safety practices and introduce comprehensive risk management methods.**

Swiss Re has issued a focus report entitled: "Prion infection on the rise? Hospitals in need of modern risk management" which addresses this topic. The vCJD risk is used to illustrate how important comprehensive risk management is in hospitals, not only to improve patient safety but also to guarantee the insurability of hospitals in the long term.

The risk of being infected with vCJD in hospital has increased. The occurrence of vCJD means that it is not just operations on the central nervous system (brain, spinal cord and eyes) which are problematic but also those on the lymphatic organs, eg the spleen, tonsils and appendix. As a result the risk of transmission has spread to many more operations, as stated by both authors of this focus report from the Chief Underwriting Office, Swiss Re's technical insurance unit.

It is not yet known how many people are already infected, or have been infected, by contaminated instruments. Furthermore, it will be a few years before current studies will be able to answer these questions. As long as the extent of the problem is unknown and the requisite risk-minimisation measures are still undergoing implementation, an increased risk of infection will persist.

The steps needed to minimise the risk are known and practicable. A general adaptation of sterilising apparatus to 134°C for 18 minutes should be the minimum quality standard in all hospitals. This measure, however, is not sufficient in itself: a rethinking process in hospitals is also needed. Risk management principles must become part of the corporate culture, despite the additional costs that introducing comprehensive risk management will impose. In this

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respect, demands for costs to be reduced in the healthcare system are in clear contradiction to risk-reducing efforts.

The insurability of hospitals is already a problem for the insurance industry. Despite some massive premium increases, liability insurers in all the major European countries are still in deficit and some insurers have therefore pulled out of the market. This trend will not change without the systematic incorporation of risk management into corporate culture.

A hospital that does implement risk minimisation measures, should receive a better insurance rating than those which ignore the known risks or do not do enough to counter them. The insurance industry is responsible for ensuring that hospital managers are supported in implementing risk minimisation measures. What is needed is both advice and the creation of financial incentives.

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**Notes for editors:**

At the end of October an event entitled "Improving hospital security - how can insurers contribute?" will be held at Swiss Re's Centre for global Dialogue.

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