



# 10 QUESTIONS YOU SHOULD ASK WHEN TAKING OUT INSURANCE

1. **Claims made or Claims Occurring.** It is important that you make sure that if:
  - a. Your new policy is written on a **'claims made'** basis that it provides retroactive cover to take care of events that happened in the past – but only come to light during the year of insurance.
  - b. Your new policy is written on a **'claims occurring'** basis that there is a mechanism introduced that historic claims from previous years are insured.
2. **Public Liability, Malpractice, Products Liability, Premises/Occupiers' Liability, Property Owners Liability.** You might or might not need all of these insurance covers – but check to make sure you have what you need.
3. **Indemnity to Principal.** If you engage a therapist to work with you/for you and you insist they carry their own insurance, it is important that you make sure it is suitable and will indemnify you as the principal. If you are invoicing for the practitioners work it is most likely that any claim for damages will be made against you. If the therapist's insurance does not include your name or an **'indemnity to principals'** clause you could be left to settle the claim.
4. **Vicarious Liability.** This is a rule of law that imposes strict liability on employers for the wrongdoings of their employees. Generally, an employer can be held liable for any wrongful act committed while an employee is conducting their duties (and sometimes even when it seems they are not!). Take particular care over the definition of "employee" (see below).
5. **Employer's Liability.** If you engage someone to work with you on a regular basis and from the same place – then they will probably be considered an "employee" by the law and by the tax authorities – whether or not you pay "PAYE". If a person is injured whilst working for you as an employee, this

becomes your liability irrespective of responsibility. This can be a rather grey area - take special care.

6. **Data Protection and GDPR.** Data is valuable and you owe a duty of care to those whose data you hold. In the event of a breach there are four basic steps to follow:

- a. Contain
- b. Assess
- c. Notify
- d. Review

How expensive is a data breach? In addition to the costs of dealing with the breach (such as communicating with all of your clients when you don't have access to your computers) you can also be fined 4% of your turnover. Basic Cyber Hygiene is critical to your wellbeing – your insurance should cover the costs of rectifying any breaches.

7. **Commercial/Business Insurance.** If your business develops and you engage more practitioners you will need to consider a host of other "risks" that you can insure – or carry yourself. Carefully consider the risks to which you will be exposed and then decide if you want to carry those risks – or lay them off to an insurer. If in doubt, find a good insurance broker.

8. **Geographical & Jurisdictional restrictions.** Make sure that your insurance will cover you where you trade. There are two aspects to this.

- a. Where in the world is the insurance cover valid?
- b. Which courts in the world can be used for defending a claim made against you?

You might also want to check if the insurance provided will allow you to work 'on-line' – and, if it does, the restrictions that apply.

9. **The Cost of Insurance.** Is the amount you pay for insurance inclusive – or will there be other costs incurred each time you want to change the cover, add a therapy or a treatment. Some insurers will charge each time you make a change. If you have a problem, can you speak to the insurers or are you left talking to a robot. If you have a question, is there someone you can speak to,

quickly. Check this out before you part with any cash.

10. **Additional Benefits**. Some of the facilities designed to provide insurance for Practitioners and Therapists are very limited in scope whilst others are designed with an holistic approach. Value for money is invariably better than cheap.