



Allied Health Malpractice/E&O: Professional Liability for Health and Medical-Related Services

This is specialized E&O coverage for businesses and professionals that offer health-related services or treatments such as spas, medispas, fitness and wellness centers, or physical therapy.

The need

For businesses and professionals that offer health-related services or treatments, even a single lawsuit by a client or patient can easily put them out of business — or drain away their assets in defense costs. No matter how well run a facility is, no matter how extensively the staff is trained, a lawsuit can arise

General business liability policies won't respond, since they typically exclude any medical or related services. And with medical staff, Medical Malpractice usually rules out ancillary, cosmetic and related services. This means the business and possibly the owner are liable for all of the defense costs and any settlement/judgement. This is precisely why more and more businesses are protecting themselves with Allied Health Malpractice/E&O insurance.

Example Loss Scenarios

An Anti-Aging **clinic** provides a client with both collagen treatments and laser skin therapy. A month later the client returns, claiming the attendant botched both procedures, leaving her in pain and disfigured. She sues for \$1,000,000 in damages.

The clinic is now forced to pay its own defense costs of \$46,000, plus a settlement of more than \$190,000.

A home nursing service provides a visiting nurse to care for an elderly man with diabetes. After the man's family finds him unconscious one evening due to insulin shock, they bring suit against the nursing service claiming the nurse was not qualified to care for diabetic patients, and that the agency did not adequately verify her background and training.

The nursing agency is faced with claims of \$285,000 in damages.

A wellness center is sued by a client who claims that their detox and cleansing regimen left her dehydrated and dizzy, causing her to pass out in the parking lot and severely injure herself. Since the injury was claimed to be related to the center's services, the General Liability policy denied the claim.

The wellness center was forced to settle for \$60,000.

Questions?

Call PRS at 732.764.1000

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