



# BALENS



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## ARE YOU A "CORPORATE" RISK?

When a Health Professional forms a Limited Company or other Corporate Entity, it is usually the Tax or Legal Implications which exercise the mind. If your Health Practice consists of one person or is augmented by a receptionist, other clerical person or/wife/partner, this is normally covered by your existing cover. You would need to change the name on your policy to reflect the Ltd Company or other change, and of course show your corporate new name, registered office and company registration number on all notepaper, invoices etc. You will need Employers Liability for any Employees as this is required by Law, but our Surgery policy for contents etc will include this for upwards of £50 per year.

It is apparent however that more and more Health Professionals are setting up multi- person, multi therapy practices, with a core person or persons organizing and running the clinic or centre. A range of Corporate activities are undertaken such as: advertising all the therapists, hiring out rooms, checking they have valid insurance, ensuring that Health Professionals are properly registered, booking appointments or giving health advice, referring possible clients to other Associates and therapists, or even taking money on behalf of other practitioners, and thus possibly unwittingly acting as their agent. We have also seen situations where our clients have been employing other practitioners, or sub contracting work for which they retain overall responsibility as proprietor of the Clinic or Centre. Even though your receptionist and staff are covered for their actions under your policy as an individual, they are not covered if the patient of another associate or therapist complains about their behavior or communication style. As a principal with a clinic complaints procedure, you may get involved in a case that on the surface does not seem to implicate or involve you in any way, but as the case progresses, you may be named as a 3<sup>rd</sup> party in an action. There are too many grey areas for a sensible Health Professional and clinic proprietor to ignore the potential losses which they could incur through no fault of their own. You could also face a regulatory/disciplinary complaint for failing to monitor or supervise your staff or even consultants or keep proper data protection or have a complaints procedure.

It seems also that a recent trend has developed, where solicitors' letters have gone to the principal, rather than the practitioner concerned. A legal firm will go for the organisation rather than the individual especially if the practice advertises the therapist concerned, or is otherwise possibly linked. The argument can be made that the Principal chose or allowed that practitioner to work there. Even if the claim ultimately gets redirected to the practitioner, there could be costs before it can get to that point. In the perceived increase in this sort of claim, a corporate practice owner is being seen as easier to go for than individuals, in a clinic set up.

We have encountered situations where an Health Professional or other practitioner who was an associate or employee has left the country or disappeared without trace leaving the owner of the clinic, or fellow associate who hired out the room where treatment took place, to receive the blame when a solicitors letter surfaced later on. Insurers can't normally process or deal with a claim without adequate information or the involvement of the Practitioner concerned, and it could fall back on you!

It can be said therefore, that there is a "corporate" risk requiring a separate clinic policy covering both "front line" or "contingent" treatment risks. A front line risk I would describe as where you or your employees could be held directly responsible as a result of giving advice, treatment, or causing upset, harm, embarrassment. A contingent risk is one that arises from being implicated in some way with the chain of events or association with the person causing the injury or loss. The degree of vulnerability ranges from the remote (and raises the question "is it really worth taking out extra insurance for?") to the extreme, where there is inadequate Insurance protection in place to protect the owner of the business.

Hiring locums would fall into a different category, as these are usually employed in temporary situations and their respective insurances would normally deal with that situation. It is essential that you do check the Insurance of any Locum, even if they are registered and be prepared to be extra vigilant if you see anything with which you are concerned.

Up to now, specially designed corporate policies for " front line" cover have been very hard to get and expensive because of the restricted number of insurers offering cover for Health Professionals running clinics.

We are pleased to advise that in connection with various specialist insurers, we can offer a range of solutions for this which cater for the treatment and advice aspect of these risks. Cover will very similar to the sorts of risk you have under your individual policy- Professional Indemnity, Medical Malpractice, Breach of Confidentiality Libel and Slander, Loss of Documents etc. For Contents, Money Buildings, Employers and Public Liabilities, you should consider Balens' Bridge Surgery Package cover, which delivers all of this and more at a competitive premium. You may also want to consider a locum cover to pay for one if you are off work due to illness or accident. In a larger set up, you may want to consider Commercial Legal Expenses Insurance to cover Criminal Defence, Employment Awards and disputes, contract disputes etc.

You can ask for a form now to get the ball rolling and receive a customised quote. Premiums start at around £290 per year, and will reflect the fee income, types of therapies offered and the number of qualified practitioners to be covered. .

In the meantime here is a table to help you decide if your business is vulnerable. We cannot cover every situation, so please contact David or Josh Balen and their Commercial Insurance team on 01684 581875 01684 581880 or on [db@balen.co.uk](mailto:db@balen.co.uk) for in depth technical advice.



## INSURANCE ISSUES AROUND RUNNING A CLINIC – DO I NEED A POLICY?

QUESTION	ANSWER	SOLUTION
Are you a Health Centre/Clinic/Individual making Appointments for other therapists?	<b>Yes</b>	<b>Clinic Policy may be advisable</b>
	<b>No</b>	<b>Individual Policy OK for most situations</b>
Are you running a Clinic with Associates?	<b>Yes</b>	<b>Clinic Policy may be Advisable/maybe essential depending on how Clinic is set up</b>
If “yes”, do you have a standard contract that is signed with them?	<b>Yes</b>	<b>Legal Advice may be needed to clarify extent of possible liability- this still may not prevent someone trying to sue you</b>
Do you take money on behalf of other therapists’ work? Are cheques made out to you/your company?	<b>Yes</b>	<b>Clinic Policy essential. Perception of contract is that it is with you as money has been taken</b>
Do you Simply rent the space to other practitioners with no other involvement?	<b>Yes</b>	<b>Individual Policy OK for most situations- check you have Public Liability and maybe Loss of Rent/Profits insurance in case your income is curtailed by a fire etc</b>
	<b>No</b>	<b>Clinic Policy may be Advisable</b>
Do you advertise other therapists/therapies as part of your overall operation?	<b>Yes</b>	<b>Clinic Policy essential – Lawyers will argue that the Public Perception will be of a corporate entity not an individual</b>
As proprietor, do you regularly check that their Insurance is in force, correctly describes what they do, and require sight of insurance at renewal of their policy?	<b>Yes</b>	<b>Clinic Policy essential – if you fail to do this and practitioner turns out to be uninsured you may be implicated</b>
Do you have any Therapist Employees?	<b>Yes</b>	<b>Clinic Policy essential – your policy covers you and your practice not necessarily a number other qualified therapists for whom you are responsible</b>
Does your receptionist carry out any treatment on your behalf or under supervision?	<b>Yes</b>	<b>Highly likely that this is not insured anyway if this employee is not qualified, but if they are, then Clinic Policy is essential.</b>
<b>Are you renting Rooms?</b>	<b>Yes</b>	<b>Check you have a Public Liability to cover this – your surgery standard cover will be OK for this</b>
<b>Are you renting Rooms out to others? Do you have a mortgage on the Building?</b>	<b>Yes</b>	<b>Consider some form of protection for this income or cover to pay for additional cost of hiring somewhere else- e.g. Loss of Rent or Profits or increased cost of working cover (ICOW) if the rooms become seriously damaged by Fire, Flood, Storm and you can’t use them</b>
<b>Do you have a mortgage on the Building? Do you use a locum if you are ill?</b>		<b>Consider some form of Illness and accident Income Protection, for lump sum disablement benefits as well as weekly income replacement cover</b>
<b>Are you taking on work experience people?</b>		<b>You must have an Employers Liability cover for this. Even though they are not technically employees, allegations of negligence against you if they are injured will be covered under such a policy</b>