



Business Insurance Guide for Health Professionals



Aon has created this comprehensive guide to help health professionals understand, manage, and buy business insurance.

The guide covers:

- Key types of insurance that health professionals should consider
- Details on features and cover for each type of insurance
- Best practices for choosing between insurance policies and providers
- Benefits of using an insurance broker
- How to review and update your current insurance
- Best practices for making claims
- Common insurance mistakes

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Introduction

It's no understatement that a lot can go wrong while running your health practice – despite your professionalism and expertise, some things are still out of your control. Whether it's theft, a customer injury, property damage or a data breach, these are just a few things that can occur. Without business insurance, these issues may result in huge costs for your business that you may have to pay.

Mistakes can happen in the workplace. But you don't want these mistakes to cost you more than they need to. Consider business insurance as a type of safety net to help protect your health practice.

Business insurance can seem complicated. What you think you're paying for isn't always what you get. That's why the team at Aon have created this comprehensive guide on business insurance to help you make informed decisions.



Choosing the right insurance for your business

SECTION 1

Key Types of Insurance for Businesses

Type of Insurance	What is it?	Who needs it?	More Info
Professional Indemnity Insurance	<p>Professional Indemnity (also known as PI insurance) can cover claims made against your business by customers or other third parties alleging that in performing your professional services, your business has caused them loss.</p> <p>Depending on the type of cover, PI insurance may cover costs that can arise from an allegation of professional negligence, including claim investigation costs, legal costs, settlements and court orders or judgments associated with claims against your business and public relations costs, provided they are covered by the policy.</p>	<p>PI insurance is designed for professionals who provide advice or services to their customers and may even be a legal, contractual or a regulatory body requirement for some professions.</p> <p>Professional Indemnity insurance is a mandatory requirement for some professions in Australia, including some registered professions or as part of a professional membership.</p>	<p>Let's look at Professional Indemnity insurance in more detail, what it covers, who needs it and how it can help your business.</p> <p>Read More</p> <p>Understand the three key features of Professional Indemnity insurance – retroactive cover, run-off cover and claims-made basis of the policy. This may help you be better protected.</p> <p>Read More</p> <p>Professional Indemnity is a claims-made policy which means that the policy must be active at the time a claim is made. It is not enough for the policy to have been active when the incident occurs/ed. This is why you're required to notify of potential claims or complaints.</p> <p>Read More</p>

Type of Insurance	What is it?	Who needs it?	More Info
Public Liability Insurance	<p>Public Liability insurance protects your business against claims of personal injury or property damage made by a third party because of your negligent business operations.</p> <p>Public Liability insurance typically covers damages you're legally responsible to pay a third party, for the personal injury or property damage caused by your negligent business activities. This can also include their legal fees and your legal costs incurred in responding to the claim, even if a court decides you're not liable to the third party.</p> <p>Public & Products Liability are usually sold as one combined policy.</p>	<p>Public Liability insurance is designed for professionals and businesses who interact with clients, customers, or members of the public. It's also relevant for businesses operating in public spaces.</p>	<p>Let's look at Public Liability insurance in more detail, what it covers, who needs it and how it can help your business.</p> <p>Read More</p> <p>Public Liability and Professional Indemnity are different types of insurance policies and cover different occurrences. Understand the differences in more detail and why you may need both.</p> <p>Read More</p>
Product Liability Insurance	<p>Product Liability insurance helps protect against claims of personal injury or property damage that a third party suffers (or claims to have suffered) as a result of your business's product.</p> <p>Product Liability insurance typically covers legal liability and legal costs that result from a claim. Depending on the policy you take out, Product Liability may also cover incidents that occur at your business premises, as well as incidents at other locations.</p> <p>Public & Products Liability insurance are usually sold as one combined policy.</p>	<p>Product Liability insurance is recommended for any business that is involved in the production, supply or sale of products. No matter what type of product that is, there's always the potential for something to go wrong.</p>	<p>Let's look at Product Liability insurance in more detail, what it covers, who needs it, how it can help your business and how it's different from Public Liability insurance.</p> <p>Read More</p>

Type of Insurance	What is it?	Who needs it?	More Info
Cyber Insurance	<p>Cyber insurance is designed to help cover your business's financial losses if it falls victim to cybercrime. It can help cover a wide range of cyber related risks, and risks relating to information technology infrastructure. A claim under Cyber insurance may cover financial losses your business suffers as a result of a cyber incident (known as first party cover), as well as losses suffered by third parties as a result of the incident (known as third party cover).</p>	<p>Cyber crime is no longer new news, and small businesses are not immune to the likelihood of cyber attacks. That's why Cyber insurance is an important cover to consider for any business with a digital footprint.</p> <p>Health practices generally store clients' personal information, bank account details, and health fund details. This information can often be enough of a lure for cyber criminals, as it provides them with an easy avenue for identity theft. In addition, health practices and small businesses may not have the resources to invest in sophisticated cybersecurity systems in the same way larger corporations may be able to. This not only makes them a potential target, but also an easy one, as their digital infrastructure may be easier to access compared to that of larger organisations.</p>	<p>Let's look at Cyber insurance in more detail, what it covers, who needs it and how it can help your business.</p> <p>Read More</p> <p>Cyber and Professional Indemnity are different types of insurance policies and are intended to cover different risks. Understand the differences in more detail and why you may need both.</p> <p>Read More</p> <p>What are the cyber risks facing businesses today? Learn about different types of cyber-attacks, how it may impact your business and ways to help protect your business.</p> <p>Read More</p> <p>More ways to help your business stay cyber safe.</p> <p>Read More</p>

Type of Insurance	What is it?	Who needs it?	More Info
Business Insurance Packs	<p>Business Insurance Pack (also known as BP or Biz Pack) is designed to protect your business and its assets against liability and unexpected insured events. BP usually has various sections of cover, and the insured can select the sections that they require.</p> <p>For example, the sections of cover that are commonly included in a BP policy include Fire & Perils, Theft, Glass and Business Interruption, Public and Products Liability.</p>	<p>Whether you're a sole trader or the owner of a small or medium-sized business, if you are providing services or products to the public, operate from any physical premise or use physical assets for your business, it is important that you consider whether you need an insurance policy that protects you against everyday risks.</p>	<p>If you are looking to take out a Business Insurance Pack, here are 5 important points to understand.</p> <p>Read More</p> <p>After you've taken out a Business Insurance Pack, here is a checklist to help keep your policy up to date.</p> <p>Read More</p> <p>Business Interruption can help cover the loss of profits and revenue, or the increase in expenses incurred following an insured event because of your business not being able to run as normal. It can be available as a cover option under a Business Insurance Pack.</p> <p>Read More</p>
Personal Accident Insurance	<p>Personal Accident insurance can help protect individuals in the event of accidental injury or sickness that results in you being unable to work. Cover can include weekly benefits, capital benefits and optional weekly business expenses cover to support you if you are injured or sick and are unable to work.</p>	<p>Protecting your financial position, should you injure yourself or become sick is very important to maintaining your lifestyle and protecting your family.</p> <p>Generally, if your income pays a large portion of your monthly bills or your pay is the only source of income in your household, you should consider personal accident insurance.</p>	<p>Let's look at Personal Accident insurance in more detail, what it covers, who needs it and how it can help you personally as well as your health practice. We'll also explore the differences between Personal Accident, Income Protection and Workers' Compensation insurance.</p> <p>Read More</p>
Workers' Compensation	<p>Workers Compensation insurance is designed to cover an employer's liability for benefits payable to an employee who is injured while working for them. Employees are among an organisation's most valuable assets, so it is one of the most important covers to hold.</p>	<p>It is mandatory in Australia for any business that employs staff to have Worker's Compensation in place. Some requirements are set by Safe Work Australia, but each state also has its own governing body.</p>	

How to choose wisely between business insurance policies

The conundrum of too much choice is very much a reality in current times. And taking out insurance for your business is no different. With the wide range of providers, brokers and policy types, it's only normal to feel overwhelmed when deciding which insurance policy to take out, leading many business owners to settle for the lowest price they find without considering the features and coverage.

Automatic Cover vs Optional Extras

Some insurance policies have optional extras that are available at an extra cost, but there are some insurers that offer these additional features automatically as part of their policies. When you're looking at different insurance policies, remember to examine what is included automatically and what is available at an additional cost. It may be that the cheapest option does not include some of the coverages offered under the policy that costs slightly more.

Run-Off Cover – Claims Made Policies

Professional Indemnity policies (PI) generally operate on a claims-made basis. A claims-made policy responds to claims that are made against you and notified to the insurer while the policy is in force (during the policy period). When you leave the profession or retire, claims can still be made against you for services you provided when you were working, so to insure you for your past work, you may require run-off cover. Your run-off policy can only respond to claims if the insured professional services were provided while you were still practicing and before the commencement date of the run-off policy, so if you re-enter the profession you would need to speak with your Broker prior to arrange a new policy.

Claims Support

When taking out insurance, ask about the insurer's process if you need to make a claim. Making a claim

can be stressful, so the last thing you'd need at that point is a lengthy process. You may wish to speak to a person during a claim rather than go through the process online, so ensure the insurer you're selecting has a dedicated claims team you can contact (in addition to an online lodgement process).

Industry Expertise

You're an expert in your field, which means your insurance broker should be too. It's crucial to choose a broker who has a deep understanding of your industry, stays on top of emerging risks and regularly reviews their policies to ensure they cover the risks adequately. This will help ensure you've got cover that has been designed specifically with the needs of your industry in mind.

Your Business Growth

As your business grows, it's likely your risk needs will change – not only in terms of insurance coverage but also with additional services you may require. When choosing between different brokers, consider which one will be able to meet your additional needs as your business grows. Selecting a broker who can provide you with additional services, and can help when your business grows, will help ensure you have the right support at every stage of your business's life.

More Info:

[Understanding insurance premiums](#)

[De-jargonising insurance terms](#)

Should you use a broker?

As a working professional or business owner, time is money, and the last thing you want to spend your valuable time doing is researching between different policy types, insurers and coverages.

Here are a few important ways a broker can help:

- **Identify the right cover** – a broker should take the time to understand your industry in as much detail as possible, and after thoroughly assessing all the potential risks, they may then recommend an insurance solution that can address common risks of your industry or profession.
- **Negotiate with the insurance company** – brokers are professionals who provide advice on risk and insurance. They also negotiate with insurers on your behalf, or in some cases they may offer a scheme that includes policies that seek to insure the common risks of the relevant industry.
- **Managing claims** – brokers can help you manage your claim with the insurer so you can get the most out of your cover. This not only means assisting you with advice during the process of your claim being submitted, but may also include insurer discussions, updates and working with the insured during the process of the claim.
- **Access to premium funding loans** – For some small business owners, cash flow may be a concern, which can make paying your insurance premium very difficult. If you require payment plans to help with funding your premiums, a broker may also help arrange access to this.
- **Making insurance easier to understand, buy and manage** – you might be thinking that it takes a long time to get insurance through a broker, given all their different responsibilities. But, you'd be surprised. Brokers such as Aon have been able to

leverage knowledge, experience and relationships with insurers to provide a seamless service - we've scanned the insurance market, and negotiated with insurers who have designed ready-to-buy policies tailored to specific industries and professions. In some cases, because we've already shopped around for you, you can buy insurance online, which is intended to provide a seamless and efficient journey.

More Info:

[How a broker can help if you have complex insurance needs](#)

[Questions to ask your broker when taking out or renewing a policy](#)



Reviewing your current business insurance

SECTION 2

Insurance Housekeeping

How to keep your cover up-to-date and fit for your current business circumstance

As you continue to adapt your business to an ever-changing environment, it's also important to ensure your cover stays up to date with your business's circumstances.

Some general housekeeping of your insurance policies can help you assess if your insurance policies are correct and provide you with the protection you need. If you're not sure where to start, we've broken it down into 4 easy steps for you...

Step 1: Check the basics

Some of the easiest details to overlook on insurance policies are sometimes the most important. Basic details like your insured name and address can be easy to skim over, but if incorrect, can cause unnecessary hassle at claim time. Some things to check include whether all entities are shown, if the spelling is correct, and whether the details are shown in full.

Step 2: Review your business's description and/or insured professional services

Your business description and/or insured professional services is another area which is very important to keep up to date. Your insurance documents should clearly state all the services your health practice provides. If you are currently providing services which are not listed on your insurance policy, or conducting activities which are outside the scope of your qualifications, you may not be insured in the event of a claim. This is particularly important if you've taken on new staff members or independent contractors who provide additional service(s) which are not noted on your insurance policy. Even if the independent contractor has their own insurance policy, your client could still sue you/your business for negligence of your contractor. It's important to consider when you're

making changes to your business and as your business evolves, if it's something you should also be discussing with your broker.

Step 3: Assess the limits & sum insured

The sum insured (limit of indemnity) is another area you'll need to revisit from time to time and keep updated. In the same way that your work may change over the years, your sum insured should be reviewed so you feel comfortable that the limit is still adequate for your needs. You should also be aware of any obligations you have, such as regulatory requirements or even a contract you may have signed that requires you to maintain specific sums insured. Your financial security could also be impacted if your assets are not insured adequately, so reviewing your sums insured and taking into consideration if you have insured for the new replacement value (where required) is very important.

Step 4: Check the coverage details – Professional Indemnity Insurance

There's a lot more to your Professional Indemnity policy than you think – PI has several features which should be understood to ensure you have adequate protection. Some of these features are outlined in this article, but it doesn't stop there. Some other

areas of coverage you may need to look into include whether your policy covers you working out of various locations and whether work performed by contractors is covered.

The importance of keeping insurance updated

Taking the time to review some key details on your insurance documents could save you a lot of headache if you needed to make a claim. This is especially important if you've been in the habit of simply paying your renewal year after year without paying attention to what the policy documents say. Sometimes, minor oversights can be enough to deem a policy invalid, and unfortunately, some business owners may only

come to know of this when they need to make a claim and are required to pay significant legal fees to defend themselves.

More info

You might receive claims or complaints after you retire or leave the profession as a result of the advice or services you provided while you were running your business, so how do you insure against this risk?

[Run-off Cover – For when you leave your profession or retire](#)



Warning signs you might have the wrong cover...

Here are some signs that might indicate the cover you have in place is not providing you with all the protection you need:

1. You made assumptions about your coverage

Great calamities can start with small assumptions, and this is especially true in the case of insurance. Regardless of the type of insurance you're taking out, it's easy to assume certain events will be covered under your policy. For example, you might assume that because you hold Professional Indemnity Insurance, you're also covered if a member of the public slips and falls over at your premises. However, this is not an event Professional Indemnity Insurance would usually cover, but one that would usually be covered under Public Liability.

It's therefore important to not make assumptions about any coverage, but always ask your broker if certain events are covered by your policy. You should also ask other questions to help clarify any confusion and be sure you've not misunderstood your cover.

2. You didn't review your policy schedule

When you receive your policy documents and schedule, it's important to carefully read over these to ensure all the details are accurate. Even seemingly minor errors such as spelling mistakes can cause complications if you need to make a claim. So, after taking out your policy, don't just file away the paperwork – be sure you have the right protection in place by reviewing your paperwork and ensuring all the information is correct.

3. You chose the cheapest offer without researching

Few of us would turn down the chance to save money, and when running a business, every dollar counts.

While it's a good idea to shop around when it comes to insurance for your business, it's important to also consider factors other than price. Choosing the cheapest option without reviewing the coverage may leave you with gaps in your cover, many of which you only come to know about when making a claim.

4. You didn't describe your service accurately

This is important if you run a business that involves providing a professional service and holding Professional Indemnity insurance to cover you for allegations of professional negligence. It's important you review your policy documents to ensure the services your business provides are stated accurately. If you start offering a new service that is not noted on your schedule, you will also need to contact your broker to ensure your policy is updated to reflect these.

5. You've hired a contractor without checking your insurance

When it comes to employing an independent contractor/sub-contractor we recommend you first review your Professional Indemnity insurance. This is to make sure your policy will cover you for liability incurred as a result of the actions of your contractor carrying out the professional services - this is called "vicarious liability". Even if your contractor takes out their own insurance for the services they provide, the business who employed them can also be included in legal action that has resulted from the actions of the independent contractor. Usually, a PI policy will cover an Insured's vicarious liability incurred as a result of their contractor's actions, but it will not



cover the contractor's liability. So, this means that you should also ensure your independent contractor/sub-contractor maintain their own Professional Indemnity insurance, and you may want to consider obtaining proof of such insurance from your contractors.

The importance of speaking to an experienced broker

The best time to make sure you have the right cover is when you're not in the middle of a claim or about to make a claim. A conversation with your insurance broker can help clarify any confusions about your coverage and be sure you properly understand your policy. A good broker will take the time to ask the right questions, in order to get a thorough understanding of your health practice to help you make the best decision for you.

More Info:

[Underinsurance and its consequences on businesses](#)
[Common misconceptions about insurance](#)

Professional Indemnity Checklist – Key Features and Cover

- **Retroactive Date:** Does your policy include an unlimited retroactive date or as a minimum the date you first commenced your business/practice?
- **Limit of Liability (sum insured):** Is your limit of liability adequate for your circumstances?
- **Your insured professional services:** does your policy cover the business for all of the services your business provides?
- **Do you understand your obligations under a claims-made policy?**
- **Does your policy cover your business for vicarious liability in relation to your independent contractors?**
- **Does your policy have the insured name of your business noted correctly?**
- **What about when you cease to practice or retire, does your policy offer a solution for run-off cover?**



Making insurance claims

SECTION 3

How to make insurance claims and what to expect

It's something you hope to never have to do, but making a claim on your insurance policy is something you might have to face at some point. Although every policy is different in terms of the claims process, there are some common practices which will apply to most insurance claims.

Contacting your broker or insurer

The first and most obvious step to take when you need to make a claim is to contact your insurance broker. Before doing this though, have as much detail as possible ready to provide.

For example, if you are claiming on a policy where there has been damage to physical property, (which could be provided by a Business Insurance pack), try to have details such as dates and what happened. You may also need to provide lists of damaged/stolen goods, photos and evidence to support your claim, however having an initial discussion with your broker will assist you on the first steps you need to take.

On the other hand, if you are making a claim on a different type of insurance policy like Professional Indemnity insurance, it's a good idea to call your broker to find out how they require you to proceed. However, it's also best practice to notify of the incident, claim or complaint by email, so that you're establishing a record of the notification. You should also provide any documents, demands, correspondence that you have received, as the insurer needs to review the details and may even require other documents from you. Each claim will be managed based on the individual circumstances of the incident, so once you have provided the information you have at hand, you would usually receive a notification that the documents are being reviewed and the insurer or broker will then contact you to advise the next steps.

Another point to note, is that if you hold Professional Indemnity insurance, you are required to notify your broker as soon as practical and before your policy renews or expires, of a **'circumstance which may give rise to a claim'**. This can be in the form of a demand, complaint or other expression of dissatisfaction rather than wait until a formal claim is made. If your client does decide to take legal action against you at a later date, you may not be indemnified if the insurer wasn't notified when you become aware of the incident.

Gathering evidence and paperwork

Once you've contacted your broker and outlined the full situation, you'll most likely be asked to provide relevant documentation to support your claim. Again, the type of documentation you'll need to provide will depend on the type of insurance policy you're claiming on.

If you're claiming on physical property damage, examples of documentation you may need to provide include photographs of damage and receipts.

If you're claiming on a policy like Professional Indemnity, you'll need to provide as much paperwork which relates to the claim as possible. For example, evidence of interactions between you and the client which may include emails and notes of your conversations. This is where good record keeping can make a big difference, as it can determine how well your legal team will be able to defend your claim – you can [read more here about what good record keeping entails](#).



Paying your excess

Many insurance policies will have an excess, but the point at which they need to be paid may vary. For example, under policies where there is property involved, such as home, car or business insurance packs, the excess may be payable upfront when the claim is submitted, or at the end of repairs. Under some insurance policies which cover liability, the excess is required to be paid towards the legal and defence costs when the claim is accepted by the insurer and this is commonly referred to as a cost inclusive excess. Other insurance policies may have a cost exclusive excess, meaning that the excess is only required to be paid when the claim has been settled, with no excess paid towards the legal and defence costs when the claim is submitted to the insurer.

Your policy renewal

Making a claim, might affect your renewal premium – it may be higher as a result of the claim payment. This is because your claims history is one of the factors which goes into calculating your premium, and generally, your premium will be higher, if claims

are required to be made on an insurance policy. The intention of this is not to penalise you for making a claim, but simply because the claims history is a significant factor which impacts an insurance premium with most insurance policies.

Having the right broker by your side

Making a claim can be a stressful time, and the last thing you need is a complicated process. That's why when deciding on a broker to arrange your insurance, it's important to consider the claims process. A broker with a deep understanding of your industry, as well as strong knowledge of insurance terms can advocate for your business in the event of a claim.

Real life claim stories:

[The Wrong Set of Wheels - An Occupational Therapist Claim Story](#)

[When Tensions Escalate – A Massage Therapist Claim Story](#)

[A Discount Ad-venture – A Chiropractor Claim Story](#)

[Cyber Insurance Saved This Small Business](#)

Next steps?

Find the right cover with Aon.
Get a quote and buy online.

Professional Indemnity

[Get a quote](#)

Public Liability Insurance

[Get a quote](#)

Product Liability Insurance

[Get a quote](#)

Business Insurance Pack

[Get a quote](#)

Cyber Insurance

Contact Aon: 1800 805 191

Personal Accident Insurance

[Get a quote](#)

Speak to an Aon insurance broker

If you prefer to discuss before you buy, our team of SME insurance specialists are here to answer all your questions over the phone or email.

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Visit Aon Website

<https://business-insurance.aon.com.au/insurance-for-health-professionals>



Don't just insure, **be sure.**

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