



A Hands-On Guide to
Massage Therapy Insurance

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A Hands-On Guide to Massage Insurance

The future of massage therapy looks bright. According to the Bureau of Labor Statistics, the occupation should grow as demand increases and the economy recovers in the coming years. In fact, the projected 10-year job outlook for massage therapists is a growth rate of 23 percent – much faster than average. As more people seek out their services, massage therapists may find themselves taking on increased workloads, new clients, and, hopefully, larger paychecks.

But as with any good news, there's a catch. Massage therapists face a number of exposures, such as malpractice and abuse allegations, and with more clientele, there's simply more opportunity for something to go wrong. Protecting yourself and your business from financial disaster will continue to be a serious concern.

If you're like the 62 percent of massage therapists who are sole practitioners, you're responsible for all of the business elements of massage therapy, including obtaining insurance. It's also up to you to create a risk management plan that minimizes your liability and guards your business's finances.

If you're a new message therapist or going into business on your own for the first time, that can seem like a lot to take on all at once. That's where this guide can help. In it, you'll learn...

- What liabilities you have as a massage therapist.
- Which insurance policies can address your risks.
- Whether or not your state requires you to carry Malpractice Insurance.
- How to vet employees to reduce your malpractice risks.

... And more.

A Brief Introduction to Massage Therapy Insurance

While malpractice and liability concerns are the main issues to worry about, massage therapists may have property they need to protect, especially if they rent or own an office space. If this applies to you, you may consider purchasing a Business Owner's Policy (BOP). This policy combines Property Insurance, which safeguards your office and material goods,

and General Liability Insurance, which covers legal expenses related to accidental third-party injuries (we'll discuss that in more detail later). A BOP can cost as little as \$500 to \$800 a year, but prices vary depending on your business's specific details.

If you're a massage therapist who doesn't own or rent an office and doesn't own an expansive collection of antique massage tables, Property Insurance may not be high on the priority list. But every message therapist should carry Malpractice coverage. Learn why in the next chapter.



Basic massage insurance costs \$500 to \$800 per year.



Types of Massage Liability

(and the Insurance That Helps You Manage Them)

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Liability is a scary legal word that simply refers to your legal responsibility to pay a debt. In the insurance world, that debt could cover a number of things, such as the damages you must pay when someone slips and falls on your premises.



For the sake of clarity, let's think of these potential debts as "risks" that come with doing business. Your financial risks come in many different forms, depending on the size, type, and location of your business, as well as what work you do, how experienced or knowledgeable you and your employees are, and other factors. By this model, some businesses are just riskier than others.

To give you a better idea of what we mean, consider this: a copper mining company has many more risks to consider than a corner convenience store, and those risks may be a whole lot more expensive to cover with insurance. Why? Gargantuan, million-dollar earthmovers breaking down are a lot pricier to replace than a knocked-over sunglasses display.

Because risks can vary, insurance companies group them together according to their type. Different kinds of risk are addressed by different insurance policies. It makes sense when you consider that certain liabilities can be more financially harmful than others. For example, the cost of a lawsuit over a slip-and-fall injury could be far less than the cost of a suit over an injury caused by massage work.

Even though you don't have to deal with quite the same risks as a mining company (so far, nobody has tried a therapeutic approach to deep-tissue stimulation with high explosives), being a massage practitioner comes with its own exposures. To acquaint yourself with the insurance needs of your business, here are some liabilities massage professionals have and the insurance policies that can cover them.



“Liability” refers to your responsibility to pay a debt.



*General Liability for
Massage Professionals*

General Liability for Massage Professionals

[General Liability Insurance](#) is a policy that covers lawsuits over non-employee injuries that happen on your premises but aren't related to your professional work. It also covers your liability when your business accidentally damages or loses someone's property.

The policy is designed to cover the most common sorts of mishaps that might occur when someone visits your place of business. It can help pay for medical bills, damage repair, and lawsuits in case you're sued.





General Liability Insurance can cover accidental bodily injuries, but not bodily injuries related to your massage work.

That's a lot to take in, so let's look at some example situations that could signal it's time to draw on your General Liability Insurance benefits:

- **Bodily injuries:** A new employee drops a bottle of massage oil on the tile floor of a corridor, and the oil spills everywhere. He goes to get towels to clean the mess up, but while he's away, a client gets finished with a relaxing massage and heads into the corridor. She's so relaxed she doesn't see the oil on the floor. In a terrifying split second, she slips, falls, and fractures her wrist trying to break the impact. Later on, she sues your business for medical costs and lost wages, as her cast prevents her from using her hand.
- **Property damage:** A client's business tablet rests on a table during his massage. You accidentally knock the device off the table, and it is completely destroyed. Your client, already under a lot of work stress, flies into a rage and threatens to sue your business if you don't immediately replace the device.

- **Advertising injuries:** You decide to do a bit of marketing for your business and create a commercial for local broadcast. You hire a musician to create music for the background and maybe a company jingle you can use in the future. But there's a misunderstanding, and after the commercial airs, the musician claims you infringed his copyright. He claims he never gave you permission to use the music recording for commercial purposes, and he threatens to sue.
- **Medical expenses:** A massage table gives out underneath a client, and he's knocked unconscious when he hits his head on the floor. You call an ambulance and he goes to the hospital for evaluation. You make a claim to cover the ambulance and hospital expenses and try to make amends to deter him from suing.

For each of these scenarios, General Liability Insurance is the policy you'd turn to. Without it, you'd be on your own to foot the legal bills, replacement costs, and medical expenses, which is enough to strap any small business.

Most small business General Liability policies can cover up to \$1 million per year in claims, but you can also purchase [Umbrella Liability Insurance](#) to supplement that coverage if it's not enough. For massage professionals, General Liability coverage usually costs \$350 to \$425 per year for \$1 million to \$2 million limits. It's a small price to pay for keeping your business afloat when unforeseen accidents threaten to close your doors.

Malpractice for Massage Professionals



Malpractice for Massage Professionals

Those in the healthcare industry often have to deal with a type of liability known as malpractice, sometimes called “professional liability” or “professional negligence.” Though most often associated with doctors and surgeons, malpractice can be cause for a lawsuit against any allied health practitioner, including massage professionals.

Generally speaking, a plaintiff alleging malpractice is claiming that the practitioner failed to perform their duties according to the standard of care in their field and caused harm. This allegation is usually a civil matter, but it can become a criminal matter if laws were broken in the course of being negligent. (Note: insurance doesn't cover criminal cases.)



For massage practitioners, malpractice can happen when a client suffers an injury because of...

- The work you allegedly performed (e.g., bruising a client or causing internal damage).
- The work you allegedly failed to perform (e.g., neglecting to refer a client to the appropriate professional for a recognized injury).

A Malpractice Insurance policy has your back when you are accused of negligence or malpractice. It can help pay for your legal defense, court fees, and judgments if the case goes to court, and it can also cover the cost of settling out of court.

It's important to keep in mind that you can be sued for malpractice even when you've done nothing wrong. Luckily, your policy can still cover the associated legal costs, which can range from \$2,000 to \$5,000 for meritless claims.



Frivolous lawsuits that are thrown out still cost \$2,000 to \$5,000 in legal defense fees.

Source: http://ilr.iwssites.com/uploads/sites/1/ilr_small_business_2010_0.pdf

Types of Malpractice Claims

To get a better sense of how a malpractice claim might occur, here are some scenarios:

- You're providing a deep-tissue massage for a client, but he's hesitant about the intensity of the massage. He tells you he has previous back injuries. As you perform the massage, he complains every once in a while about the pressure. You try your best to provide a quality therapeutic experience, but at the end of the session, the client is clearly irate. A few weeks later you receive a letter from the client's attorney, claiming that your massage instigated new back pain from his old injury, and you're being sued for malpractice.
- Your employee provides a massage session for a client, who then claims that the employee touched her inappropriately. Your employee vehemently denies the allegation, and the client does not press charges. But she does sue your business, claiming the employee failed to act professionally and that it caused her emotional distress.
- Before giving a client a massage, you have her fill out paperwork detailing her medical history, previous injuries, and any pains or concerns she currently has. Reviewing this, you see that she might have an injury that's far more severe than she originally thought. You feel that you should refer this client to a specialist, but provide the massage anyway. A few months later, you find out you're being sued for malpractice for failing to refer the client when you noticed the injury.

These examples might be relatively uncommon experiences, but the reality is that they can and do happen to massage practitioners. *Massage Today* states that burns, bruises, and injuries to the neck, spine, or ribs are the reasons for most injury claims. On that note, *DTLA Law Group* lists the following massage therapies as having the highest probability of injuring clients:

- Deep tissue massage.
- Thai massage (walking on the patient's back).
- Hilot massage.
- Sports and athletic massages.
- Physical-therapy-based massages.
- And other physically intense or strenuous techniques.

Of course, you may still choose to offer these types of therapy. But if you know that they are likely to cause injury, you can take proactive steps to reduce that chance.



Deep tissue, Thai, Hilot, and athletic massages have the highest risk of harming clients.

Source: <http://downtownlaw.com/massage-therapy-resulting-in-injury-lawsuit-information/>



The Limitations of Malpractice Insurance

Almost every insurance policy has exclusions that detail the circumstances the policy can't cover. Malpractice Insurance is useful for civil professional liability claims, but criminal allegations are usually excluded. For this reason, massage parlors and spas may find themselves in hot water if they don't take care in vetting and approving the therapists they hire.

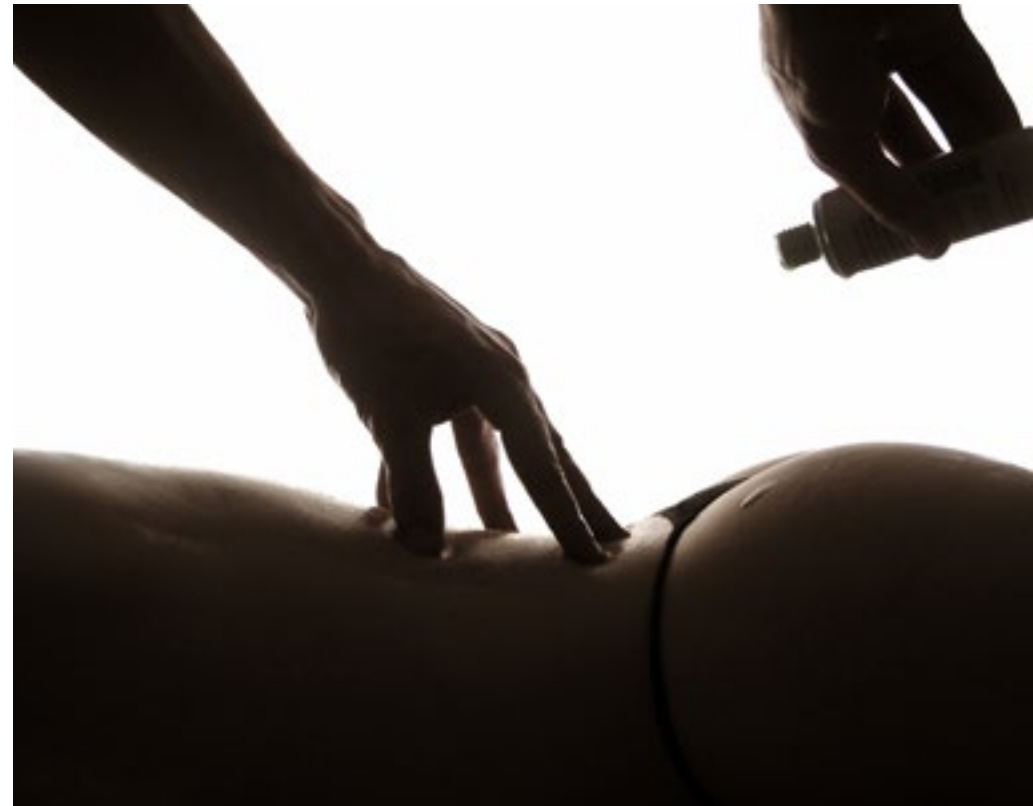
Allegations of sexual misconduct are somewhat common throughout the industry, unfortunately. When these allegations are brought to the police, a business can't rely on its insurance to cover criminal court costs. However, if a civil lawsuit is filed against the business following a criminal case, the policy may cover attorney fees, court costs, and judgments or settlements.

For perspective, here are a few recent real-world cases that illustrate how insurance coverage may be applied in different situations:

- According to [CBS Los Angeles](#), a massage spa was sued after two women described being sexually assaulted by two therapists at the location. In this instance, no criminal charges were pursued, and the lawsuit now targeting the actual massage spa is strictly civil. This means that the spa's insurance may cover the cost of the lawsuit and subsequent settlement.
- In a case from Portage, Michigan, [MLive reports](#) that a woman sexually assaulted by a massage therapist filed civil suits against the therapist and the business that employed him. This case shows that even after criminal

conviction, civil wrongdoing can still be assessed. Insurance may cover the business's costs because the owner faced no criminal charges. It might be more complicated for the therapist.

- A spa in Florida faces two lawsuits, criminal and civil, after ignoring several sexual abuse complaints about one of its massage therapists, [according to Local 10 News](#). Because the business is named in a criminal case, its insurance coverage probably won't cover the civil lawsuit.



What Is Protected by Malpractice Insurance?

Malpractice Insurance policies aren't all created equal. It's important to know what your policy covers and how it protects you. Working with an insurance agent is a great way to ensure that your policy addresses your most pressing risks. An agent familiar with writing policies for massage therapists knows how to get endorsements (add-ons to your policy) that provide broader coverage and essential protection that you might otherwise miss out on.

For example, a policy that has molestation coverage protects you if you face a civil lawsuit for damages resulting from alleged sexual misconduct by you or your employees. This endorsement is not usually included in a general Malpractice Insurance policy.

Another essential endorsement is license defense coverage, which covers investigations into your license. This is a kind of malpractice claim that massage therapists are most likely to face in their career, [according to The Health Law Firm](#). License defense coverage pays for your legal fees when you're under an investigation that may result in action against your massage therapist's license or administrative disciplinary action. Such investigations don't necessarily accompany malpractice lawsuits, so standard Malpractice Insurance policies don't usually cover the risk. But defending your license can be an expensive legal process all the same, and not having the resources to defend yourself in an investigation may result in losing your license altogether.

Know your coverage and what you're getting before you buy it. Talk to your insurance agent to make sure your business needs are covered, and work with an agent who has experience insuring massage therapists.

Cost of Malpractice Insurance for Massage Therapists

Because massage therapy is a relatively low-risk occupation (as opposed to brain surgery, for example), the cost of Malpractice Insurance is very affordable. Currently, you may be able to get a policy starting from \$480 to \$830 per year. The actual cost depends on your location, business size, whether you have employees, and other relevant factors. Your insurance agent can help you understand the cost of additional endorsements, if you need them.



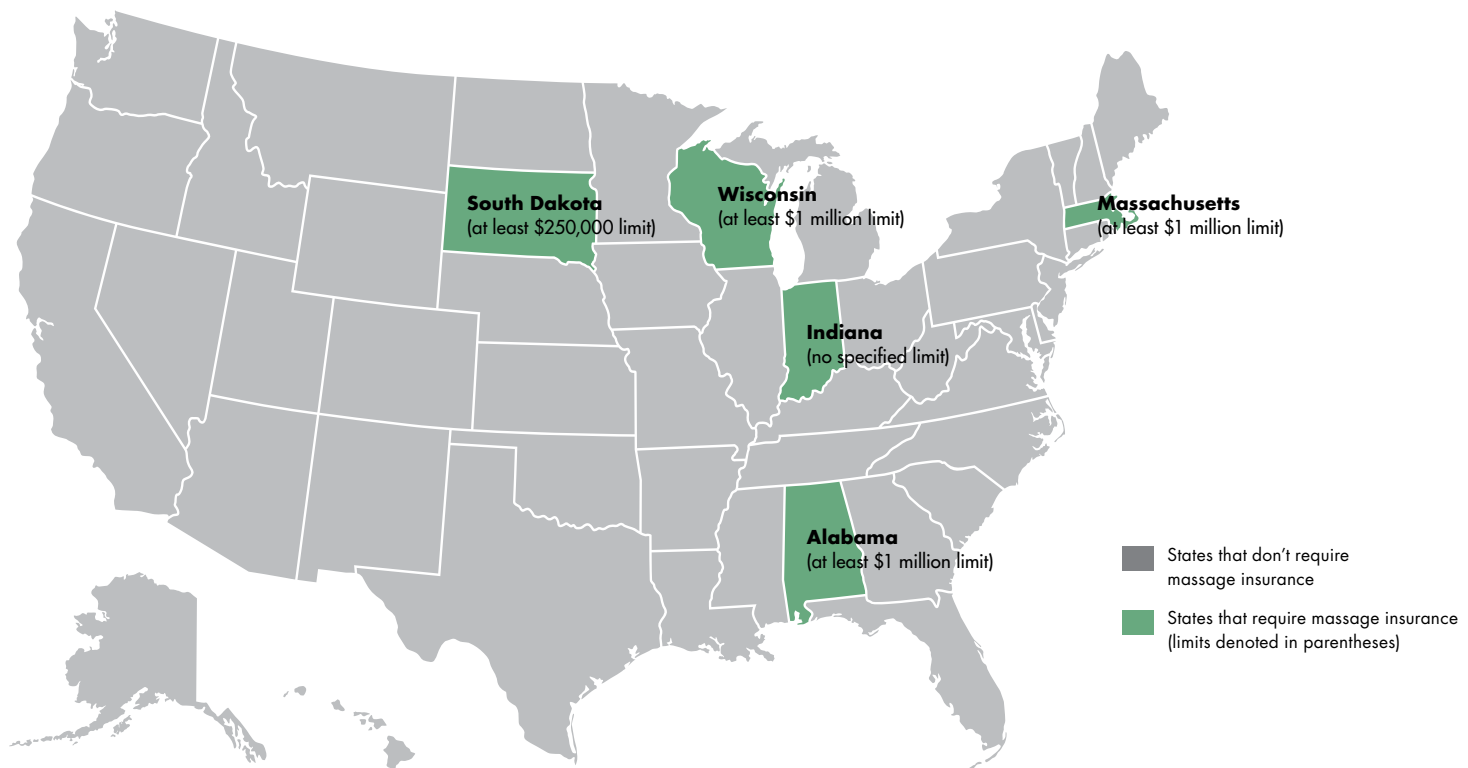
Malpractice Insurance
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*When Is Massage Therapist
Liability Insurance Required?*

When Is Massage Therapist Liability Insurance Required?

Depending on where you live, you may have to carry liability insurance to get your massage therapy license. Check out the map below to learn whether your state requires liability insurance as a condition for licensure. Be aware that although some states don't have liability insurance requirements, the local permitting agency might, so be sure to check the laws of your city or municipality, too.



Another consideration is that even if you can get your massage therapy license without first having insurance, you may need coverage to fulfill contract requirements, especially if you plan to freelance. Most facilities won't hire healthcare workers unless they have Malpractice coverage.

If you are employed full-time, some employers might require you to have individual insurance because a lawsuit could potentially demand more than their policy limit. You might also want to be named as an additional insured if you are partnering with another therapist.

Carrying Professional Liability Insurance is a good way to find work more easily, even if it's not required. Having coverage demonstrates that you are professional and serious about your work, which can distinguish you from other job candidates or competitors.



Carrying Malpractice Insurance can boost a freelancer's chances of getting hired.





*Preventing Massage
Liability Claims*

Preventing Massage Liability Claims

The fact is massage therapists and spa owners are increasingly in danger of being sued, according to *Massage and Body Work*. Dealing with a lawsuit on top of maintaining and operating your business is a tremendous burden, even for those most prepared. When a business owner is unexpectedly hit with a lawsuit, they have to find and consult a lawyer, get familiar with court proceedings and the general legal process, and stay informed on the status of the case, all while managing everyday worries. Simply put, it can be overwhelming.

That's why it's important to do what you can to prevent liability claims. An effective risk management plan allows massage therapists to reduce the possibility of lawsuits and helps them plan for worst-case scenarios. Even though there's no way to eliminate your risks entirely, you can get pretty close with the following three tips.





Creating policies for interacting with clients can help reduce your practice's liability exposures.

1. Create Procedures for Limiting Massage Therapy Risks

These procedures are crucial for any business offering health services to the public, but especially so for massage therapists. They should detail how the building and equipment are maintained and cleaned, what code of conduct therapists are expected to follow, and how therapists should interact with guests.

An independent therapist or spa should have documented policies that describe the protocol for...

- Greeting guests.
- Dress code.
- Maintaining equipment.
- Accepting tips.
- Off-site treatment.
- Confidentiality.
- Draping clients.
- Body positioning.
- Complying with the [American Massage Therapy Association's Code of Ethics](#).

There should also be policies in place for managing customer complaints, sexual harassment, and other workplace issues that may arise.

The important thing here is to document, document, document. Document that you and your employees have read the policies in case you ever have to go to court. Showing that your business follows strict, documented procedures can go a long way toward supporting your defense.

2. Follow Best Practices for Hiring and Training Massage Therapists

When adding therapists to your team, you need to know that they'll provide the level of expertise and professionalism that you expect. Employing a therapist you barely know is a huge liability. At the end of the day, your spa may be held accountable for their actions.



To reduce the risk of lawsuits, implement careful hiring practices from the outset. Establish the qualifications you expect candidates to have, such as...

- Licensure.
- National certification.
- Membership in a professional organization.
- Proof of liability insurance.
- Hours of education and experience.

Having a set of prerequisites will help you narrow down the number of suitable candidates from the get-go. From there, you should...

- Conduct a personal interview.
- Observe them in a hands-on assessment.
- Check their references.
- Check their criminal background.

Performing these steps will give you a good idea about who the candidate is and whether they would make a good addition to your team. It will also give you an idea about any potential liabilities they may bring.

After you choose a therapist, procedures come in handy. Again, document that your new hire has been trained and educated in the appropriate policies and procedures and that you have signed off on their training.

For more information on risk management strategies and hiring new therapists, read, "[Spa Legal Liability: How to Hire Well and Protect Your Business.](#)"

3. Understand How Legal Advice and Insurance Can Offset Massage Malpractice Risks

Sometimes, a business might find it worthwhile to get outside help in assessing its liabilities and creating a risk management plan. You can hire a lawyer to help you create patient forms and employee policies, or have a consultant review your business liabilities and create relevant strategies. And it's always a good idea to have an attorney in mind in case you are sued.

Lastly, insurance is the final line of defense in any risk management plan. Despite all your preparedness, no business is absolutely risk-free, which is why adequate insurance coverage is essential to your massage therapy business's survival.

