

## FAQ QUESTIONS

### What is Professional Indemnity?

Provides cover to the member for defence and settlement of a claim made by a third party and which the member first became aware of during a period of insurance where they have current insurance in place. The claim is made against the member for actual or alleged acts of error, negligence or conduct in connection with the services provided.

### How can Aon Professional Liability Insurance support us and our business?

It is the ambulance at the bottom of the hill when something unforeseen or accidental happens, like most other insurance policies. If something goes wrong and a claim is made against a member, the policy will pay legal costs to defend them and/or compensation costs if they are ordered to pay compensation. The costs associated with a claim can be large and cause financial harm to a member's business if they had to pay these costs themselves.

Aon have a specialised liability claims team which can assist members at claim time with the process.

### What are claim examples of breach of professional duty?

*A client complained about a naturopath requiring him to do a urine test due to long term medication. The complaint required legal assistance to respond. The matter did not go any further. Total cost just over \$1000.*

*Others that could apply to Naturopaths (these were against health professionals including Doctors who offer alternative treatments of a similar nature to naturopaths).*

*A Medical Council complaint by a specialist about treatment provided to his client. Successfully defended – Legal Costs around \$4,000.*

*Medical Council investigation into website containing adverts for discounting of services. Not taken further.*

*Specialist querying apparent incorrect treatment provided to his client. Required legal assistance. Just over \$1,000.*

### What is civil liability and what is an example of a claim under this section?

Civil liability or claims cover disputes between individuals, companies, and sometimes local government. Civil disputes are usually about money but can cover a wide range of disputes such as contract, tax, land etc. The policy provides cover where a third party seeks financial compensation for loss arising out of the services provided by the insured member. Please see claims examples provided below.

### What is an Unintentional Breach of Statute and what is a claim example?

Breach of the Privacy Act i.e., accidentally providing personal health information to another party (may be another health provider) without the client's permission.

### What is Legal Liability for Personal Injury or Property Damage and a claim example for each, please?

Public or General Liability. Provides cover to the member for claims made against them alleging they have either caused damage to someone else's property or caused physical injury in connection with their business

i.e., a member damages the premises they are leasing for the purposes of their business. A members product causes injury to a client.

## **What are Exemplary Damages Awarded and a claim example, please?**

Damages awarded by the court in excess of compensation with the intent to punish the defendant for their behaviour and set a precedent for future claims.

## **Internet Liability which covers you for your liability arising out of any act, error or omission committed whilst using the internet, electronic email, intranet, or world wide web - is this the additional cover, and can we have a couple of claim examples please.**

No, it is not additional cover, it is part of the individual members policy e.g., using a logo similar in likeness to a trademark logo, legal costs, and potential compensation as a result, accidentally sending a virus via email to a third party which compromises their systems and results in their costs and losses having to be paid.

## **Does the Aon PI cover adverse reactions to supplements and clinic made products like herbal formulations; balms etc?**

The public liability component of the policy does provide cover relating to the use of products i.e., a product that the member makes themselves, not just a product they sell on behalf of another person or company. However, the policy will provide cover for any product if the member provides incorrect advice in relation to how that product should be used by a client.

## **Do we need additional cover to sell products online like for example skin balms? If not, what is the additional insurance we would need to get?**

The policy only provides cover for New Zealand based sales. If members are selling products overseas, then they will need a separate policy. We can provide this cover from the open market and members need to get in touch with me.

## **If someone takes out insurance, but practices under a business name are they covered? A few years ago, a member did have insurance but discovered she was not covered as my invoices were sent from my business and technically, she was no longer a sole trader with insurance cover. So, if I member was to take out insurance does she take out in the business name or her personal name?**

This has previously been covered and changes to the policy were negotiated in 2019 to include cover for a sole practitioner operating under a limited liability company under certain conditions. Please see 2019 summary of cover. Previous to this, anyone who operated under a limited liability company had to obtain the separate cover. If the member operates a limited company which is covered by the individual members policy the name insured will be 'The individual members name t/as their limited liability company name'. If the member does not meet the conditions which will enable their limited company to be covered under their individual members policy, we encourage them to take the separate company cover.

## **Does the Aon PI cover breaches of fair trading, work safe, privacy act (however fine paid by us)? Is this Civil liability?**

Yes, provided the claim meets the terms and conditions of the policy. Most fines can be paid under covered acts, (criminal acts/liability are not covered by the policy), however fines cannot be paid by the policy under the Health & Safety at Work Act.

## **Are online consultations covered?**

Yes, subject to the advice being provided to clients who are based in New Zealand.

## **Is the Aon PI cover restricted to NZ limits?**

Yes.

## **Is online blogging, Facebook and insta posts covered under the Aon PI Insurance? If not, what additional insurance would help protect members with blogging etc.**

Not that I am aware of. Not everything can be covered by insurance. There is some personal risk involved when owning a business.

## **Add-ons Cyber Cover what does this provide:**

The additional extension which you must request and pay for provides cover for when a member's system is hacked and they suffer a loss themselves or require financial help to get their systems up and running, or the hack has caused a breach of third-party personal information.

**Please note that the information provided above is solely for the benefit of the members of NMHNZ and not intended for widespread distribution. The information is subject to the terms and conditions of the policy wording which we encourage members to read.**