

PAMPER & PROTECT: SPA INSURANCE CONSIDERATIONS

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Getting insurance for a small business can be an overwhelming task. Whether a seasoned business owner or a practitioner new to the industry, here is a breakdown of some items to consider when seeking insurance for a beauty business along with key questions to ask.

CHOOSING A POLICY

Consider the nature of the business and identify the risks potentially associated with the specific type of practice. Think about what types of coverage the business requires based on the variety of services offered and size of the business. For example, the needs of a solo practitioner offering only waxing services is going to differ from a full-service day spa with 20 employees offering hair, skin, nail, and waxing services.

Explore the different options that insurance provides such as liability, property, professional liability, and business interruption insurance. Sometimes, leasing properties require certain coverage and for the landlord to be listed as an additional insured on the policy. If the business owner owns the property themselves, the bank or lienholder typically requires property insurance. Liability insurance is always a good idea for any business to protect against claims from clients; however, there are multiple types with the most common being general liability, professional liability, and product liability. If unsure about the coverage each of these offers, business owners may want to consider reaching out to an insurance company or agent for advice.

Compare insurance companies and agents with independent agents. Companies and their agents are partial to the policies of the company they work for, while independent agents do not work for one specific company. Independent agents are licensed to sell insurance and will often search multiple companies for the best price to meet the business's needs. Keep in mind that most insurance carriers do have an appetite for specific trades, so a lot of the same companies insure beauty providers. The best way to find an independent agent is to ask for referrals from other local business owners or ask online business groups in the area. If searching for an agent or company, be sure to research them and seek referrals or read reviews.

Determine the appropriate coverage based on the risks associated with the business. Consider higher liability coverage limits to protect against potential claims arising from injuries, accidents, or dissatisfaction with spa servic-

es. Additionally, consider endorsements, such as specialized treatment liability endorsements. This endorsement provides coverage for claims arising from specialized spa treatments, such as chemical peels, microdermabrasion, or other advanced skin care procedures.

Always be certain to go through a complete list of services offered with the carrier or agent. Not all insurance policies cover all treatments; for example, not all insurance companies cover Brazilian waxing. This is much easier to review in advance to avoid surprises during a claim. It is also good practice to review any exclusions within the policy.

DEDUCTIBLES

Take deductibles into consideration. Thinking about the services offered, which hold the highest risks? If something was to go wrong, what would the business be comfortable paying out in damages to someone who may be injured? Considering these risks; a higher deductible may be the way to go. Keep in mind a higher deductible generally results in lower policy premiums but be aware of how much is the responsibility of the business to cover if a claim occurs. It is a good idea to ask for quotes with various deductibles to see what fits the business.

COMMON MISCONCEPTIONS

A lot of beauty professionals do not realize the importance of insurance. Insurance is put in place to let professionals perform their duties without having to worry about the repercussions associated with accidents. Employees should always consider their own liability insurance, since one never knows what the coverage situation might be for the places they are employed. If an accident were to occur and the business a professional is employed at does not have adequate insurance, the liability could default to the service provider themselves.

There are many groups that provide discounted rates for aestheticians, nail technicians, hairdressers, and body technicians. Additionally, each state requires different types of insurance for businesses with employees so be sure to research what is required.

Insurance plans are not one size fits all. The needs for each business are different and a business owner should do what feels right for them and their business. As the business shifts and grows, so will its needs. Always consult with an agent and ask questions pertaining to the specific practice. 