

# 5 Exclusions on Professional Liability Insurance Policies

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Insurance companies over the years have created several types of insurance policies. Some policies cover a broad spectrum of scenarios; others include specific coverage's and exclude others. Finding yourself in a situation where you need to use the insurance coverage you have purchased is not the time to find out that the policy you are paying for doesn't cover the allegation being brought against you or your practice.

## **Below Are 5 Exclusions to Professional Liability Coverage:**

- 1.** Professional liability coverage doesn't apply to anything other than the profession shown on the policy - it only covers the occupation you choose.
- 2.** Professional liability policy doesn't cover anything arising out of any claim made by a person because of:
  - Refusal to employ that person
  - Termination of that person's employment
  - Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, sexual harassment, humiliation or discrimination directed at that person.
- 3.** Professional [liability policy](#) won't cover any matter arising out of actual or alleged discrimination. This exclusion applies to your liability as an employer or in any other capacity; and to any obligation to share damages with or repay someone else who must pay damages;

It won't cover a situation arising out of the inability or failure of you or others to collect or pay money, including fee disputes and third party reimbursement disagreements

- 4.** Professional liability insurance does not cover anything arising out of sexual therapy, where sexual contact is a form of treatment.
- 5.** Professional liability coverage does not cover anything arising from allegations of physical and/or sexual abuse. However, if the claim is unfounded, and the insured doesn't admit to guilt, the insurance carrier will provide defense coverage.

Knowing the coverage of your professional liability insurance policy, as well as what's excluded helps you understand which policies need to be purchased for the practice, and provides the knowledge of

what's covered prior to an allegation that may arise.

A single professional liability insurance policy is typically not a blanket that protects in all situations and individual or business may be sued for; which is why there are numerous types and options of insurance policies to choose from.