

# What is Professional Liability Insurance for Mental Health Providers?

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Professional liability insurance for mental health counselors, therapists, psychologists and social workers helps protect professional advice- and service-providing individuals and companies from bearing the full cost of defending against a negligence claim made by a client, and damages awarded in such a civil lawsuit.

People practicing within the mental health professional field must adhere to the strictest standards of ethical and moral behavior. According to [The American Mental Health Counselors Association](#), the primary responsibility of mental health counselors is to respect client dignity and promote client welfare.

*"Mental health counselors need to be clear with clients about the parameters of the counseling relationship," according to **AMHCA**. "In a professional disclosure statement, they provide information about expectations and responsibilities of both counselor and client in the counseling process, their professional orientation and values regarding the counseling process, emergency procedures, supervision (as applicable) and business practices. Information is also provided regarding client rights and contact information for the state counseling licensure authority."*

If we all lived under a perfect umbrella, the AMHCA mantra would be enough for the mental health professional; unfortunately in our litigious society lawsuits can arise if a client believes that their counselor, therapist, or other practitioner has been negligent or wronged them in another way.

[Professional liability insurance](#) for **mental health** professionals is critical because a typical business owners' policies will cover bodily injury, property damage, personal injury or advertising injury claim but not suits related to errors and omissions when providing professional services. Other forms of insurance covers employers, public and product liability.

Various professional services can give rise to legal claims without causing any of the specific types of harm covered by such policies.

## **Common claims that professional liability insurance covers include:**

- ☐ negligence
- ☐ misrepresentation,
- ☐ violation of good faith and fair dealing
- ☐ inaccurate advice

[CPH Insurance](#) offers a range of options to the mental health professional, including the Avoiding Liability Helpline, which provides CPH Insurance's policyholders with a valuable service that is designed to help them protect themselves as mental health practitioners.

Here, you can get your questions answered by a knowledgeable attorney. In addition, airing your concerns early may help you avoid later problems with your licensing board, an ethics committee, or with a civil lawsuit (malpractice action) for money damages.

When considering mental health insurance coverage policies, take a serious look at professional liability insurance. It should be a critical component of every mental health professional's insurance portfolio.