



**Partners
Indemnity**

Insurance Brokers Ltd.
Established 1923

Product dispensing and insurance coverage (May 2016)

The practice of naturopathic doctors dispensing product, whether it be a natural health product or pharmaceutical drug, has recently been raised.

The information we are providing is general in nature; it is, therefore, important that NDs and their employees in regulated jurisdictions understand and adhere to the regulations, standards of practice, policies and procedures established by their regulatory college with respect to dispensing product.

Realizing that each regulated jurisdiction may or may not have its own specific regulation or standard of practice for dispensing product we have taken a broad-brush approach to explain how insurance works to protect you from a complaint or claim involving a dispensed product.

Malpractice insurance (whether individual or clinic) provides coverage for complaints or claims occurring while a **patient** is under your care and following a treatment plan. This would include any claims arising from products you have dispensed or prescribed for that patient.

Product liability insurance provides coverage for products you have dispensed to former patients, who would no longer be considered under your care at the time of purchase, or members of the public. Product liability insurance is included under a Commercial General Liability (CGL) policy which can be purchased separately. Product liability insurance is also available along with property insurance in a business insurance package policy.

Question: What is "products liability"? Does liability only occur if the product is rancid or tainted? What if there is nothing wrong with the product but someone has an adverse reaction to it, or thinks they do? Even natural medicines can have side effects; does product liability include side effects from a product?

Answer: Yes to all of the above. Basically, anything that goes wrong after a person ingests a dispensed product (NHP or drug) that leads to a complaint or claim against the practitioner would be covered.

Question: If I do not want to purchase or rely on separate product liability insurance, what would I have to do to ensure that product dispensing issues would be covered under my professional malpractice insurance?

Answer: Under the professional malpractice insurance NDs are covered for any product claims that may arise with respect to a product recommended/prescribed by the ND to a patient within a patient/practitioner relationship. This would continue for as long as that patient/practitioner relationship existed and the patient continued to purchase product(s) specifically recommended by the ND as part of a treatment plan.

Question: Is there any restriction on how long a patient can continue to purchase a recommended product without having a follow-up assessment?

Answer: NDs should refer to their regulations for any stipulated time frame. In the absence of a regulation or standard of practice NDs can look to the policies set by other health care professionals for consideration. For example, a drug prescription written by a medical doctor is valid for one year and cannot be refilled after that time without the patient first re-visiting their MD.

Question: What if a patient purchases a product from my dispensary that I have not recommended as part of their treatment plan?

Answer: In the instance described above the professional malpractice insurance would not provide coverage should a product claim arise.

Question: What if I am selling product to consumers who are not my patients?

Answer: Your professional malpractice policy will not cover claims that arise from product(s) sold to non-patients.

If you have patients who are purchasing products from your dispensary in addition to those recommended by you, or you are selling product to non-patients, you should purchase a commercial general liability policy that includes product liability coverage. Only by doing so are you fully protecting yourself and your business.

Insurance Summary:

Policy	Limits Range From	Claims Deductible	Comment
Professional Malpractice	\$2-5M	N/A	Covers your practice under the approved scope of practice
Clinic Malpractice	\$2-5M	N/A	Covers your clinic from liability caused by yourself and/or other practitioners
Commercial Gen Liability (includes product liability)	\$2-5M	\$1,000	Covers slip-and-falls, product liability

Note: While the insurance cover is specifically designed to protect the interest of a naturopathic doctor and their respective business practice, policies do have terms and conditions which have to be met.

If you have any questions please contact Partners Indemnity Insurance Brokers Ltd. at 1.877.427.8683 or email cand@partnersindemnity.com.

We have you covered!

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Are there particular questions you have or topics you would like to see covered in our article series? If so please e-mail them to insurance@cand.ca.