

# Risk Management for Salon Owners

By David Balen, Chairman of Balens, Specialist Insurance Brokers



**BALENS**  
Specialist Insurance Brokers

*Risks to a salon owners' business can come in many guises. As specialist brokers, Balens deal with a significant number of claims and while the vast majority go through smoothly there are a number that are reduced or even declined due to basic errors of choice, or a failure to check out the detail of the insurance policy.*

Insurance can often be viewed as a boring but necessary element of a business, something that is not given a great deal of thought, until something goes wrong. However, the choices that you make, and how you handle and manage the risks to your business, may make the difference between success and failure should the unfortunate ever occur. In this short article, five key areas of **Risk Management for Salon Owners** will be explored.



## Communication

I am sure you have heard the story that a satisfied customer will tell one friend, an unhappy customer will tell 9, and with social media this can spread rapidly. Pre-treatment, during treatment and post treatment, there is the potential to bond with the client. We see many costly and lengthy claims emerge from failure to supervise staff adequately or not managing the client relationship well, with miscommunication and client expectations being some of the key elements. Good, clear communication is fundamental to the success of your business.

## Record Keeping

Your notes are your best line of defence should a claim occur against you and it is vital that they are completed accurately. These notes should be factual and objective. They should state why the client is coming to see you, symptoms they are displaying, what prescriptions or medication your client is on and any medical conditions that they may have, (as they may have conditions which preclude the therapy), treatments performed and whether they reported any change in the condition. It is important that you follow procedures as laid down by your training provider.

For invasive or permanent procedures, it is an excellent idea to take photos before and after treatment

(remembering to gain consent) and/or get satisfaction notes signed. Please report everything relevant that happened in the therapy session including relevant comments from the client, both positive and negative. Notify insurers immediately of any complaint to avoid having a claim declined for not letting them know.



**Please Note:** If you are providing a demonstration or taster treatment, you still need to keep a record of the date and name of the person that you have treated, and to ask about relevant medical information. People have made claims in this situation.

## Non-Disclosure

Situations in any business change, but many claims are declined because the insurer did not know about a material fact. Check your proposal form to ensure what you said when you took out your policy still reflects what you have now e.g. Have you missed out key areas of cover, changed your business activities or forgot to declare a relevant fact? Have you decommissioned an alarm or not declared correctly the protections on your windows and doors? There are many areas where you may need to consider cover e.g. do you take items away from premises? Are you importing or exporting products? If you work from home do your household insurers know? \*Many home insurance policies will not cover you for working from home.

Be aware of package insurances, make sure you understand what the options are and what they mean to ensure you get the correct cover for your business, if in doubt, ask your Broker.

## Underinsurance

Underinsurance has always been an issue when it comes to a commercial policy covering such things as buildings, contents/stock or loss of profits. In a nut shell, where a salon owner who has stock and contents at a value of £20,000 decides to cover only £10,000, in the mistaken belief that they will be unlikely to have a claim value of over £10,000 and this will save them money with a lower premium, they are under insuring themselves, by in effect only insuring 50% of their stock and contents. If you underinsure, this may lead to a proportional decrease in the amount paid out in the event of a claim.

## Tenant's Improvements

If you are renting premises for your salon you may want to improve or add to the property, perhaps you re-decorate or re-carpet. If the worst should happen and there is a problem with the property you are renting, your landlord's obligation is to restore the building to its original rental state only. If you have made improvements or undertaken alterations these may be your responsibility to insure. Any loss to these areas will not be recoverable by you if you have failed to include them in your Salon business contents insurance cover.



Whilst you will never be able to avoid risks within your business, by considering the above, some of the perils of the greater risks may be reduced, should the unfortunate ever occur.

**Balens** are a *Specialist Insurance Broker* for Health, Well-being, Fitness and Beauty Professionals. Further articles and information regarding insurance and risk management may be found on Balens website at [www.balens.co.uk](http://www.balens.co.uk)