



KEEP BEAUTY RISKS FROM TURNING UGLY

Attention to risk management is important for Florida's salons and spas

By Sean Brownyard

The Sunshine State is bright with opportunity for beauty professionals. According to the Bureau of Labor Statistics, Florida ranks second in the United States for employment of hairdressers, hairstylists and cosmetologists. In many of Florida's metropolitan areas, their nail

technician colleagues—the people who do manicures and pedicures—can expect to command higher wages than their counterparts in the rest of the country.

In a state lined by 663 miles of beaches, the beauty industry almost seems like a safe bet for a business venture. Year-round warm weather gives Florida salons and spas an edge over those in the northern half of the country. This strikes up a rosy mental image of vacationers flocking into nail salons

to replace their sand-worn pedicures, and of the state's thriving hospitality industry playing host to ritzy day spas.

Yet salons, spas and barbershops everywhere face ugly realities—even in Florida and other vacation destinations. Claims against salons and spas are relatively common and sometimes involve bodily injury to patrons.

Though most salons and spas operate with attention to health and safety, all can focus more on risk management. For these often small and privately owned businesses, a big lawsuit can mean the difference between success and failure.

Exposures facing salons, spas and barbershops

In some ways, salons, spas and barbershops face predictable exposures. Like any brick and mortar business, they often experience slip and fall claims. In addition to typical hazards (like wet and sandy floors), hair clippings, slick beauty products and equipment cords create potential for slips, trips and falls.

Not all the exposures are so mundane. Salons and spas are one of the few settings where we routinely allow strangers without a medical license to touch us with sharp objects and caustic chemicals.

In hair salons and day spas, patrons sometimes experience adverse reactions to hair dyes, dye removers, hot wax and skincare treatments. This can cause mild dermatitis or more serious, scarring burns and hair loss. Not only does this cause serious harm to a customer, but these claims are often some of the largest experienced by a salon or spa.

Nail salons need to worry about nicks, cuts and infections. Sometimes patrons arrive with suspicious-looking nail damage, and sometimes the salon environment is not maintained to a sanitary standard. In either case, patrons can contract an infection with their mani-pedi. Any kind of infection is potentially life threatening, and even a mild one can turn into a costly lawsuit and large claim.

Many salons and spas also offer massage services. The most common claims we see against massage therapists are related to muscle injuries incurred during a vigorous massage. Over the past several years, massage franchises in Florida and elsewhere have also fielded allegations of sexual misconduct and harassment against massage therapists.

In recent years, we have seen services broaden in salons and spas of all sizes and types. These businesses are no longer offering only cuts and color changes. In today's world, they offer a

full pampering experience, including elements such as free alcohol and an engaging social media presence. These amenities may entice new customers to try the salon, but they also expose the salon to additional risks, like over-serving drinks to a patron.

Loss control: The ideal scenario

Salons, spas and barbershops can—and often do—address these exposures with routine loss control practices that create a clean, safe environment. Sanitation plays a huge role, well beyond soaking combs in the blue jar of Barbicide.

Best practices dictate:

- Services are performed only by qualified employees and contractors who are trained and licensed for the services they perform.

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- Nail technicians protect patrons by using gloves and pedicure tub liners to minimize transmission of bacteria, fungus and other germs.
- Instruments are thoroughly disinfected or disposed of.
- Nail technicians and estheticians avoid working on irritated skin or nails and refer patrons with suspicious cracks or bumps to their physician.
- Hair stylists employ patch tests on small areas of skin before applying hair color to someone's entire head.
- When using chemicals prone to causing irritation or giving off fumes, beauty professionals wear gloves and masks.
- Salons and spas have specialty ventilation systems and properly maintain all equipment.
- A central filing system or database stores records of all interactions with patrons, from routine appointments to major accidents.

Coverage considerations

As in any business, good intentions—like trying to follow best practices—sometimes give way to bad habits, and accidents happen. That's why the right insurance coverage is important.

Salons, spas and barbershops should carry property, professional and general liability insurance. Most salon and spa professional liability policies cover all employees of a business. However, many salons and barbershops have few employees. Instead they operate on a booth rental system where the stylists and barbers operate as independent contractors and therefore are not covered. Business owners should require all contractors to carry individual professional liability insurance to protect themselves and prevent claims from pulling in the salon owner.

Not every service performed in a salon or spa is covered by a typical businessowners policy or specialty insurance program. Some services, like microblading, permanent makeup and laser skincare treatments, edge

toward the medical malpractice side of esthetics. Salon and spa owners should talk to their agent or broker and find out what is covered in their policies, especially if they have expanded their services.

As we have learned by attending beauty industry trade shows, many beauty professionals are not sure what their insurance covers. Others admit to not having professional liability insurance. Still others were not sure when to file a claim.

There's an opportunity for my colleagues in the insurance industry to educate the beauty industry on how effective risk management can reduce their exposure to the worrisome problems outlined above. The beauty industry is growing—and is certainly a major fixture of life in Florida—so agents and brokers can look to their neighbors in the salon and spa business for opportunity. ■

The author

Sean Brownyard is senior vice president of operations for Brownyard Group and is responsible for managing its SASSI® (Salon and Spa Specialty Insurance) program. For more information, visit sassiagency.com.