

# Home Health Agency

## Insurance Coverage Gap Checklist

A self-assessment tool for Texas HHA owners to evaluate whether their current insurance program adequately addresses the risks specific to home health care operations.

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Most home health agencies are underinsured in ways they don't discover until a claim is filed. This checklist covers the six coverage areas where we most commonly find dangerous gaps. Use it to review your current program, then bring it to your next conversation with your agent.

### 01 Professional Liability

Professional liability (malpractice/E&O;) is the foundation of your HHA program. It covers claims from the actual delivery of care — medication errors, missed assessments, negligence allegations.

- I have **standalone Professional Liability** (not just an endorsement on my GL policy)
- I know whether my policy is **Claims-Made or Occurrence**
- I have verified my **retroactive date** and understand its implications
- I have a **tail coverage plan** if I change carriers, sell, or close my agency
- My limits are at least **\$1M per occurrence / \$3M aggregate**
- My policy covers both the **agency and individual caregivers**

**!! Critical Gap:** If your PL is an endorsement on your GL with shared limits, you may have inadequate protection on both fronts.

### 02 Abuse & Molestation Coverage

The most common — and most dangerous — gap we find. Your caregivers are alone with vulnerable patients in private homes. Even baseless allegations generate enormous defense costs.

- I have **dedicated Abuse & Molestation limits** (not sub-limited under GL)
- My A&M; **defense costs are outside the policy limits** (not eroding available coverage)
- Coverage extends to **both the agency and individual caregivers**
- There is **no prior-knowledge exclusion** that could void coverage for repeat allegations
- Coverage includes allegations of **financial exploitation**

**!! Critical Gap:** Many policies exclude A&M; entirely or sub-limit it to \$25K–\$100K. An abuse allegation can easily generate \$200K+ in defense costs alone.

### 03 Workers' Compensation

Texas doesn't require WC, but going non-subscriber is high-risk for HHAs. Caregivers face lifting injuries, needlesticks, infectious exposure, and auto accidents daily.

- I carry **Workers' Compensation coverage** (not relying on Texas non-subscriber status)
- My employees are **classified under the correct class codes** (clinical vs. admin)
- I understand the **W-2 vs. 1099 exposure** — if I use 1099 contractors, I know whether they're covered
- I monitor my **Experience Modification Rate (EMR)** and have loss control measures in place
- I have a **return-to-work program** for injured employees

**!! Critical Gap:** If 1099 contractors are reclassified as employees (common in HHA), you could face uninsured WC liability. This is one of the most dangerous gaps in the industry.

## 04 Hired & Non-Owned Auto (HNOA)

Your caregivers drive to patient homes daily — usually in personal vehicles. If they cause an accident on the job, your agency can be held vicariously liable.

- I have **Hired & Non-Owned Auto (HNOA) coverage**
- My HNOA policy does **not exclude patient transport**
- I verify **valid driver's licenses and personal auto insurance** for all driving employees
- I run **MVR (Motor Vehicle Record) checks** at hire and annually
- I have a **written vehicle safety policy** with minimum personal auto limits for employees

**!! Critical Gap:** A caregiver's personal auto insurer may deny a claim because they were working. Without HNOA, the agency absorbs the full exposure.

## 05 Cyber Liability & HIPAA

You handle PHI constantly — patient records, care plans, billing data. A breach triggers notification obligations and regulatory exposure regardless of agency size.

- I have **standalone Cyber Liability coverage** (not just a GL endorsement)
- My policy covers **HIPAA regulatory defense and fines**
- Coverage includes **breach notification costs** (letters, credit monitoring, call center)
- I have **ransomware/extortion coverage** and business interruption
- Coverage includes **social engineering fraud** (phishing-induced wire transfers)

## 06 General Liability, Umbrella & EPLI

The base layer of your program, plus the layers that protect against catastrophic and employment-related claims.

- I have **General Liability** with adequate limits (\$1M/\$2M minimum)
  - I have **Commercial Property** covering office, equipment, and records
  - I carry an **Umbrella/Excess policy** for catastrophic claims
  - I have **Employment Practices Liability (EPLI)** covering wrongful termination, discrimination, harassment
  - My EPLI covers **worker misclassification claims** (W-2 vs. 1099)
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## How Did You Score?

### Checked all boxes

Your program appears comprehensive. A specialist review can confirm there are no hidden exclusions or sub-limits in your policy language.

### Missed 1–3 items

You likely have addressable gaps. A coverage gap analysis can identify specific exposure points and recommend corrections.

### Missed 4+ items

Your agency may have significant uninsured exposure. A full program review is strongly recommended before your next renewal.

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## Want a Second Opinion on Your Coverage?

Young's Insurance Agency specializes in insurance for Home Health Agencies in Houston and across Texas. We help HHA owners identify coverage gaps, access specialty carriers (PHLY, Manchester Specialty, Amwins), and build programs that reflect the actual risks of home health care.

**Schedule a Coverage Review: (713) 383-4250 | [ery@lyins.com](mailto:ery@lyins.com) | [lyins.com](https://lyins.com)**

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