

# Medical Indemnity Insurance for Allied Health Professionals

Medical indemnity insurance protects allied health professionals when a complaint, investigation, or legal claim arises from the care they have provided.

While it is not a legislated requirement in New Zealand, it is increasingly expected, and in many employment settings it is a contractual requirement. Whether you work in a hospital, community clinic, private practice, rehabilitation service, or telehealth environment, the same professional risks apply.

As a physiotherapist, psychologist, occupational therapist, dietitian, paramedic, counsellor, podiatrist, sonographer, or other allied health professional, you make decisions every day that affect patient health and wellbeing. Even when care is appropriate and well-intentioned, patients may still raise concerns and responding to those concerns can be complex, stressful, and costly.

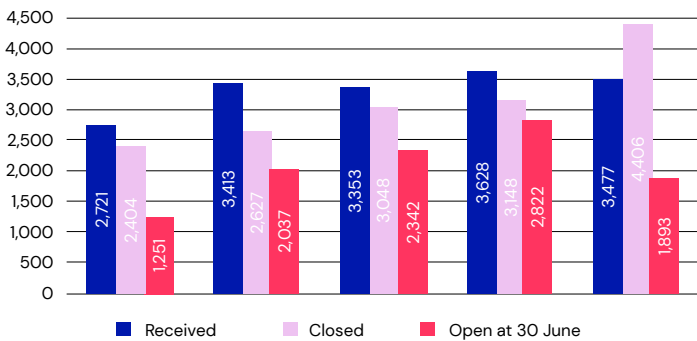
## Why do I need it?

In New Zealand, patients are covered by no-fault compensation through ACC. If something goes wrong, they can seek recompense from the government rather than through direct lawsuits. This means allied health practitioners typically do not face the damages-based litigation common in other countries.

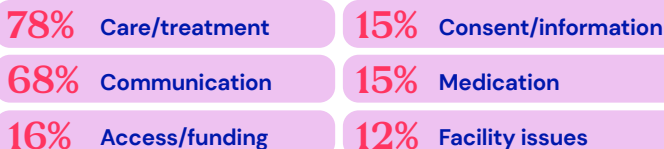
However, this does not mean you are free from complaints. The Health and Disability Commissioner (HDC) investigates concerns raised about care received, and complaint numbers have been rising steadily:

## Key statistics - HDC

Number of complaints received and closed over the past five years



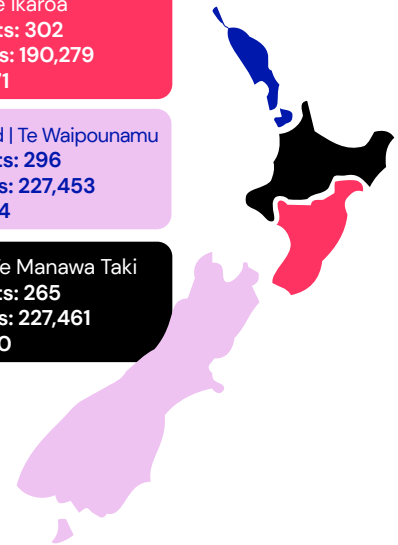
The most common complaint issue categories in 2024/25 were:



Adapted from <https://www.hdc.org.nz/media/ha5ntqul/hdc-annual-report-2025.pdf>

Top regions by number of complaints received

- 1 Northern**  
Complaints: 369  
Discharges: 383,759  
Rate 96.15
- 2 Central | Te Ikaroa**  
Complaints: 302  
Discharges: 190,279  
Rate: 158.71
- 3 South Island | Te Waipounamu**  
Complaints: 296  
Discharges: 227,453  
Rate: 130.14
- 4 Midland | Te Manawa Taki**  
Complaints: 265  
Discharges: 227,461  
Rate: 116.50



Adapted from [https://www.hdc.org.nz/media/xeih332e/health-nz-national-data-2024\\_25.pdf](https://www.hdc.org.nz/media/xeih332e/health-nz-national-data-2024_25.pdf)

Civil claims can also still be brought in certain circumstances including for exemplary or compensatory damages, and for breaches of the Code of Health and Disability Services Consumers' Rights before the Human Rights Review Tribunal. This risk is smaller than in other jurisdictions, but it is real.

## How much could complaints cost me?

If a complaint is made against you, you may be required to respond before the HDC, your professional council, the Health Practitioners Disciplinary Tribunal, tribunal, coronial inquiry, Health New Zealand, or the like. Even if you are ultimately cleared, the process takes time, expert support, and money.

Costs can include:

- **Legal costs and representation.** It is possible to respond yourself, but most practitioners benefit significantly from experienced medico-legal support and this expertise does not come cheap.
- **Travel costs to hearings.** Hearings are typically held in Wellington or Auckland, which may mean flights and accommodation costs.
- **Lost earnings during investigations.** Complaints can take weeks, months or even years to resolve, during which time you may be unable to work while attending hearings and the like.
- **Penalties following an adverse finding.** If the authority considers it necessary, additional costs, including the cost of the hearing itself, may be imposed.

## Typical cost ranges for allied health complaints include:

Situation	Typical Legal Cost
Legal advice and written response to a complaint	\$3,000 – \$10,000
Investigation by the Health and Disability Commissioner (HDC)	\$10,000 – \$40,000+
Professional conduct or competence investigation	\$20,000 – \$80,000+
Defence before the Health Practitioners Disciplinary Tribunal	\$100,000 – \$200,000+

These costs can arise even when the practitioner did nothing wrong and is ultimately found not to have breached any standard of care.

## The reality: complaints are part of modern practice

Most complaints do not arise from serious clinical errors. They come from everyday interactions that any allied health professional might encounter:

- Patients who felt treatment options, risks, or expectations were not clearly explained
- Patients who expected faster or different results from rehabilitation or therapy
- Concerns that symptoms should have been referred or escalated to a specialist earlier
- Incomplete or unclear clinical notes that become significant if care is later questioned
- Misunderstandings about communication, professional boundaries, or clinical advice

Real complaints investigated by the HDC have involved:

- A physiotherapy patient whose worsening injury led to a complaint that referral for imaging or specialist review occurred too late.
- A counselling client who believed the risks and limits of therapy had not been adequately explained at the start of treatment.
- A rehabilitation patient who felt that concerns about ongoing pain during therapy were not taken seriously.

In many of these cases, no breach of standards was ultimately found, but the practitioner still had to go through a formal investigation process that took months to resolve.

## Why choose NZMII?



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We ensure access to quality psychological support & choice of provider is available when you need it.



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### Proven Stability.

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### Expert Legal Advice & Support.

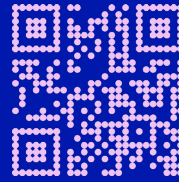
Our medico-legal lawyers represent you with expert advice and support whenever you need it.

## How much does medical indemnity insurance cost?

Depending on your designation and various memberships, the price varies between \$215 - \$800 per year.

While professional indemnity may be arranged by an employer, it is often designed to protect the organisation and may not always fully protect individuals. Having your own medical indemnity insurance, that guarantees cover, helps ensure your personal interests are protected and reduces the risk of being left exposed to significant costs if a complaint or claim arises.

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## Contact Us

### NZMII are here to help!

Contact us if you have any questions about your medical indemnity cover.

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