

The Growing Spa/Medi-Spa Industry in Canada

Spas/Medi Spas in Canada

Day spas are commercial establishments offering health and beauty treatments in a calm environment to soothe the mind and body, and promote personal well-being. Medical spas blend medical technology with the traditional relaxation of a day spa by offering high-end treatments to patients under the supervision of a licensed medical doctor. Treatments at these spas include vein removal, skin rejuvenation, laser hair removal, Botox, microdermabrasion, chemical peels, liposuction, and a host of other aesthetic procedures.

What's at Risk for Spas/Medi Spas?

As the industry continues to evolve, there is a higher chance of malpractice or negligence liability claims. And, unfortunately, clients often underestimate the risks and negative side effects associated with treatment, which differ for each individual. Clients must be aware of the risks associated with medi spa procedures by education and building trusting doctor/client relationships.

Following are some of the major risks to patients and treatment specialists:

1. If staff are not properly trained and/or certified, then there is potential risk of injury to clients.
2. If property and equipment are not properly maintained, then there is potential risk of injury to staff and clients.
3. If staff are overworked, underqualified, and/or understaffed, then there is an increased risk of negligent procedures by poorly trained or inexperienced aestheticians or laser technicians.
4. The overseeing physician is ultimately responsible for all treatments delegated (directly or indirectly) to an aesthetician, registered nurse, laser technician, etc. Therefore, if a claim was to arise or an investigation commence, it is the physician's license and future insurability that could be jeopardized.

The spa industry is growing.

A 2006 Canadian Spa Profile Study indicated 2,338 spa locations, with 1,026 (44%) in Ontario alone. Three quarters of all spas in Canada are day spas, which accounted for 11.5 million procedures in 2006. That same year, the industry saw a 20% growth in the number of visits to all types of spas. This includes an increase in procedures among male clients (10%) and young adults aged 18 to 25.

An Expected
18%
Growth⁽¹⁾

Average Revenues
Per Facility
\$924,000⁽²⁾

The spa/medi spa industry is expected to grow with the aging baby boomer generation as well as medical science and technology advancements that can achieve less invasive or non-invasive surgeries. The market is forecast to grow 18% per year, while 58% of medi spas expected sales to grow more than 5% in 2016. The average revenues per facility are \$924,000, with about 80% coming from procedures and 20% from retail product sales.

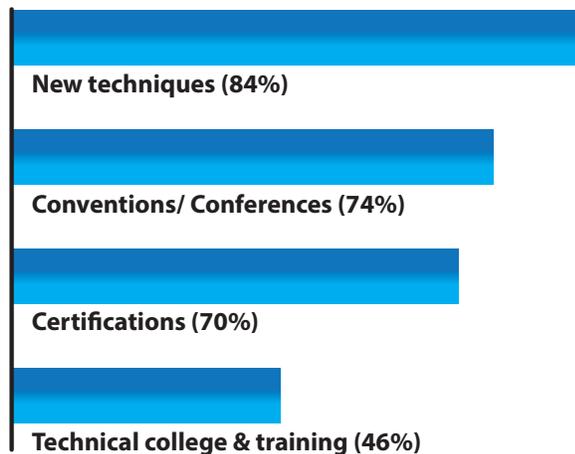
(1), (2) - Canadian Spa Profile Study 2006

Spa procedures are in high demand for three primary reasons.

- 1 The stress associated with consumers' daily lives has created an increased need for periodic pampering.
- 2 More MDs are looking to replace lost income with elective private pay services, and technical developments have enabled practitioners to offer a broader range of treatments.
- 3 These technical developments have reduced required treatment and recovery times, which has led to greater patient demand and improved service for consumers.

Staff Training

Over three quarters (77%) of spas in Canada pay for their employees to receive training. The most common type of training supported by spas that pay for training is new techniques (84%). This is followed closely by conventions/conferences (74%) and certifications (70%). While supported by a significant portion of spas, technical college and training at only 46% lags far behind the top three.



Understanding Regulations

Over the last several years, the industry is increasing certification requirements of employees and instrument warranties. Bodies that accredit spas/medi spas include the Canadian Association of Medical Spas and Aesthetic Surgeons. Meanwhile, the industry is experiencing continuous expansion of facilities to oversee qualified professionals. There are also a number of certifications of positions, including estheticians, massage therapists, and spa directors.

Day spas and medi spas have a few key distinctions:

- Day spas are facilities that may include massage rooms, saunas, pools, steam rooms and other features that work to create a relaxing environment. Some spas also provide fitness programs such as yoga and tai chi, along with health programs such as life coaching and nutritional services. Spas may function as stand-alone services or be part of a resort.
- Medi spas provide services and treatments to improve the body's overall physical condition, particularly the skin. Treatments are designed to provide long-term solutions to issues such as cellulite, wrinkles, hair removal, and skin pigmentation. Therefore, the staff members of a medispa have at least one medical doctor. Additional staff members often include plastic surgeons, dermatologists, nurses, laser technicians, and aestheticians.

What MedThree Can Offer

Any broker can take advantage of this growing industry with MedThree packages for spas and medi spas, because they offer the most comprehensive coverage needed. MedThree offers package insurance policy to cover the following:



- Professional liability
- General liability
- Property
- Equipment breakdown
- Crime
- Cyber

The MedThree Advantage

MedThree Insurance Group, are specialists in writing healthcare risks and keep abreast of the nuances and forever changing regulations and guidelines within the healthcare industry. By contrast, general underwriters may simplify the process by referring to a generic list and rate the coverage based on a lack of understanding of the landscape of healthcare risks, leaving the spa/medi spa clinics with insufficient insurance coverage.