



Physical Therapy Professional Liability Claim Report

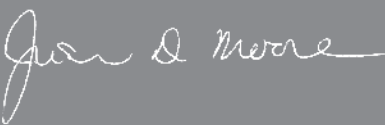
5TH EDITION

Foreword

The American Physical Therapy Association (APTA) is dedicated to improving the lives of individuals and communities through the provision of high quality physical therapy. This commitment includes advancing best practices, reducing risk, and protecting the health, safety, and well being of everyone who places their trust in physical therapy practitioners. APTA remains focused on strengthening our influence on healthcare and supporting the continued growth and impact of the profession.

In pursuit of our vision, mission, and strategic goals, APTA is pleased to collaborate with CNA and HPSO in using data driven insights to guide our decisions and shape strategies that promote the safe, effective, and efficient delivery of physical therapist services. As part of this effort, APTA has contributed expertise to the CNA and HPSO *Physical Therapy Professional Liability Claim Report, 5th Edition*.

APTA is dedicated to engaging and empowering physical therapy practitioners to be influential leaders in the healthcare sector, strong advocates for the profession, and a unified force for advancing the human experience. We value HPSO's thought leadership as an APTA Strategic Business Partner and believe this report will be a valuable resource to help physical therapy providers enhance their risk management practices.



Justin Moore, PT, DPT
CEO, American Physical Therapy Association



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Key Findings of the Physical Therapy Professional Liability Claim Report

The **average total incurred** for professional liability (PL) claims has **increased 20.3 percent, to \$162,174** in the 2026 dataset from \$134,761 in the 2020 dataset. (Page 7)



Physical therapy practices (PT practices) experienced a **15.4 percent higher average total incurred** than individually insured physical therapists (PTs), physical therapist assistants (PTAs), and PT students (\$170,418 versus \$147,655). (Page 8)

While **PTAs comprise a smaller portion of total claims** (16.5 percent) compared to PTs (76.5 percent), **claims asserted against them are 40.4 percent more costly** on average (**\$208,546 versus \$148,507**). (Page 10)



The **distribution of PTA claims** related to **failure to monitor** is **almost double that of PT claims** for the same allegation, and the **average total incurred is 47.4 percent more** than the average total incurred for PTs (\$291,613 versus \$197,783). (Page 11)

The distribution of PT claims in the \$10,000 to \$99,999 indemnity range continues to decline, while **PT claims** closing in the \$250,000 to \$749,999 range **increased from 9.3 percent to 13.7 percent**. (Page 12)



Improper performance of manual therapy is the most common PT claim allegation with an **increase in average total incurred of 35.6 percent** since 2020 (\$161,317 in 2026 versus \$118,957 in 2020), with **dry needling** accounting for 26.4 percent of these claims. (Page 14)

Fractures represent the **most frequent injury type** associated with PT claims, accounting for **24.2 percent of all PT claim injuries**, and with an average total incurred of \$179,484. (Page 17)



The average payment for **licensure defense expenses** in the 2026 dataset **increased 14.8 percent** compared to the 2020 dataset (\$7,369 in 2026 versus \$6,420 in 2020). (Page 21)

Complaints related to **professional conduct** had the **highest distribution of licensure defense expenses** in the 2026 dataset, at 46.7 percent. (Page 22)



In the 2026 dataset, **55.0 percent of licensure defense expenses** were **closed with no action taken** by the State Board of Physical Therapy (SBPT). (Page 24)

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Physical Therapy Closed Claims Overview

Introduction

In collaboration with Healthcare Providers Service Organization (HPSO), CNA continues to be one of the nation’s leading providers of professional liability (PL) insurance coverage for physical therapy practitioners. In 2006, CNA and HPSO published the first report analyzing PL closed claims on behalf of insured physical therapy practitioners. As part of our joint mission to educate insureds and the healthcare industry at large regarding risk-related issues, we are pleased to present our fifth physical therapy closed claim report entitled, “Physical Therapy Professional Liability Claim Report: 5th Edition.” This report is designed to help physical therapy practitioners strengthen their practice and minimize PL exposures by identifying loss patterns and emerging trends.

Dataset and Methodology

The 2026 dataset consists of closed claims or matters that meet the following criteria:

- Involved physical therapists (PTs) or physical therapist assistants (PTAs), whether insured individually or through a physical therapy practice (PT practice), or other healthcare practitioners providing services as an employee of an insured PT practice.
- Closed between January 1, 2020, and December 31, 2025.

In addition to the above, this report will include the following categories of claims:

- Professional liability claims resulting in indemnity payments of \$10,000 or more.
- Professional liability claims without an indemnity payment but with incurred expenses of at least \$1.
- Licensure Defense Expenses that incurred at least \$1 in expense.

Terms

For the purposes of this report only, please refer to the following terms and explanations.

- **2016 dataset** – A reference to an earlier CNA report, entitled “Physical Therapy Professional Liability Exposure: 2016 Claim Report Update,” which included data from 2010-2014.
- **2020 dataset** – A reference to the prior CNA report, entitled “Physical Therapy Professional Liability Exposure Claim Report: 4th Edition,” which included data from 2015-2019.
- **2026 dataset** – A reference to this CNA report, entitled “Physical Therapy Professional Liability Claim Report: 5th Edition,” which includes data from 2020-2025.
- **Distribution** – Refers to a specific group of closed claims with categories expressed as a percentage of the total.
- **Expense payment** – Monies paid for the investigation, management or defense of a claim, including, but not limited to, expert witness expenses, attorney fees, court costs, and record duplication expenditures.
- **Total paid indemnity** – Monies paid on behalf of an insured in the settlement or judgment of a claim.
- **Total incurred** – The sum of total paid indemnity and expense payments.
- **Average total incurred** – The cost of total paid indemnity and expense payments, divided by the total number of claims with payment.

Limitations and Considerations

- Indemnity and expense payments include only monies paid by CNA on behalf of its insureds.
 - The data reflects the “per claim” policy limits, which are typically \$1,000,000 for CNA primary PL insurance.
 - Other possible sources of payment, such as payments by co-defendants in response to the claim, are not considered.
- All incurred costs and expense amounts are attributed to the year the claim closed, regardless of when the claim was first reported or when the alleged injury occurred.
- Due to the uniqueness of each individual claim, the average total incurred amounts displayed within this report may not necessarily be indicative of the severity attributed to any single claim.
- This report also provides select findings from the CNA/HPSO 2016 and 2020 physical therapy closed claim datasets, each of which reflects five years of data, for comparative purposes. Because some elements of the inclusion criteria may differ across datasets from previous CNA/HPSO physical therapy claim analyses and in claim reports from other organizations, readers should exercise caution when making comparisons with other reviews.

General Data Analysis for Physical Therapy Professionals

There were 497 PL claims with indemnity payments above \$10,000 representing 53.4 percent of the 2026 dataset with an average total incurred of \$162,174 (**Figure 1**). These claims represent the most severe physical therapy PL exposures and are the primary focus of the detailed analyses presented in Part 1 through Part 3. These sections examine potential risks and associated liability exposures encountered by PT practices, individual PTs, and PTAs, providing the reader with strategies to recognize and mitigate the identified exposures.

Licensure Defense Expenses comprised 24.6 percent of the 2026 dataset with 229 matters and incurred an average expense of \$7,369. These matters reflect regulatory and disciplinary issues that differ fundamentally from civil liability claims but nonetheless result in significant financial and professional consequences. Part 4 of this report examines the allegations in licensure defense expenses and the potential outcomes experienced by PTs or PTAs.

Although this report does not discuss these claims in depth, it is important to note that PL claims that resolved without an indemnity payment may still generate defense costs. Claims that resolved without an indemnity payment represent the smallest share of the 2026 dataset at 22.0 percent of total claims and have an average expense payment of \$18,092. Expenditures can include attorney fees, expert witness fees, and costs involved in the investigation of the claim. As with all claims, expense amounts can vary widely based on the unique facts and circumstances of each matter.

A PL claim may be resolved without an indemnity payment for various reasons, including:

- The claim was successfully defended on behalf of the insured, resulting in a favorable jury verdict.
- The claim was withdrawn by the plaintiff during the investigation or discovery process.
- The claim was dismissed by the court prior to trial in favor of the insured defendant.

Physical Therapy Spotlights

- [Protecting Your License](#)
- [Managing Challenging Patients](#)
- [Documentation](#)
- [Preventing Burns](#)
- [Supervision & Delegation](#)
- [Liability Risks Related to Improper Technique](#)
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The length of time between when an incident occurs and closure of a claim or lawsuit varies depending on multiple factors including, but not limited to, the applicable statute of limitations, court calendars, and the complexity of the matter. As indicated in **Figure 1**, PL claims without indemnity payments may take an average of 3.5 years to close. This protracted timeframe underscores the importance of comprehensive and accurate documentation to preserve relevant patient information.

Figure 2 compares the average total incurred from the 2016, 2020, and 2026 claim datasets of all physical therapy closed claims with paid indemnity greater than or equal to \$10,000. In the 2020 dataset, the average total incurred (\$134,761) increased 12.4 percent as compared to the 2016 dataset (\$119,893). The upward trend continued in the 2026 dataset, with the average total incurred amount rising to \$162,174, an increase of 20.3 percent compared to the 2020 dataset.

While the increase in claim severity is influenced by many factors and largely depends on specific facts and circumstances of each case, broader industry trends, such as social and tort inflation, also play a meaningful role in driving increases in severity. Social inflation occurs when the overall rate of increasing claim severity exceeds general economic inflation. This may be driven by political, legal, and cultural factors that influence societal attitudes towards litigation, jury awards, and claim settlement values. In recent years, exceptionally high jury verdicts, often disproportionate to the underlying facts of the case or alleged injuries, have become more common. These outcomes are frequently driven by an emotional appeal to juror sympathy, heightened societal distrust, and inflated punitive damages.

1 Claims by Coverage Category

	Distribution	Average Total Incurred	Average Years to Close
Professional liability, indemnity (≥ \$10,000) and expense	53.4%	\$162,174	3.1 yrs
Licensure defense expenses (≥ \$1)	24.6%	\$7,369	2.6 yrs
Professional liability, expense only (≥ \$1)	22.0%	\$18,092	3.5 yrs

2 Comparison of Average Total Incurred

Closed Claims with Paid Indemnity of ≥ \$10,000

2016	\$119,893	
2020	\$134,761	
2026	\$162,174	



The **average total incurred** for professional liability (PL) claims has **increased 20.3 percent, to \$162,174** in the 2026 dataset from \$134,761 in the 2020 dataset.

Part 1: Physical Therapy Practice Professional Liability Exposures and Data Analysis

The highest proportion of closed claims arose from PT practices, which accounted for 63.8 percent of all closed claims, compared to 36.2 percent for those individually insured, as reflected in **Figure 3**.

Physical therapy practice PL policies generally provide coverage for the corporate entity, owners, and employees acting within the scope of their duties, which may include PTs, PTAs, athletic trainers, occupational therapists, and other professional staff. In contrast, individual PT coverage is limited to the named insured and does not extend to others.

Physical therapy practice owners are vicariously liable for the negligent acts or omissions of their employees and supervisees. Vicarious liability reflects the exposure a PT practice owner assumes for patient care delivered by others on behalf of the practice. In addition, PT practice owners have direct liability (under corporate negligence theories) related to the inherent responsibilities of ownership, including hiring, credentialing, onboarding, supervision, and policy development and enforcement. These ownership-related duties create independent exposure for the practice and owner, significantly expanding liability beyond the owner’s direct patient care.

Analysis of Closed Claims by Insurance Type

Figure 3 compares claim distribution and severity by insurance type, distinguishing between claims insured under a PT practice policy and those insured under individual PL policies for PTs, PTAs, or PT students.

- **Figure 3** highlights that PT practices experienced a 15.4 percent higher average total incurred than individually insured PTs/PTAs/PT students (\$170,418 compared to \$147,655). As discussed above, vicarious liability plays a role in the higher severity of claims asserted against PT practices.

3 Distribution and Average Total Incurred by Insurance Type

Closed Claims with Paid Indemnity of ≥ \$10,000

	Distribution	Average Total Incurred
PT practice (PTs, PTAs, and other healthcare professionals)	63.8%	\$170,418
Individually insured	36.2%	\$147,655
PTs	32.2%	\$151,504
PTAs	3.6%	\$117,477
PT students	0.4%	\$111,320
Overall	100.0%	\$162,174

Physical therapy practices (PT practices) experienced a **15.4 percent higher average total incurred** than individually insured physical therapists (PTs), physical therapist assistants (PTAs), and PT students (\$170,418 versus \$147,655).



Analysis of Allegations for PT Practices

Physical therapy practices had a higher proportion of claims alleging failure to monitor compared to individually insured practitioners (23.3 percent versus 15.0 percent) and experienced a 42.7 percent higher average total incurred for these claims (\$249,817 versus \$175,082), as represented in **Figures 4 and 5**.

- These claims cited failures by PT practice owners to provide appropriate supervision, training, and/or onboarding for employed staff. Of the 23.3 percent of failure to monitor claims involving a PT practice, 18.9 percent involved allegations that the PT practice provided inadequate supervision of a PTA/PT student and had an average total incurred of \$355,666, highlighting that supervision failures drive both frequency and severity for PT practices.
- Additional claims often involved allegations that patients were inadequately monitored during treatment, resulting in the PT practice owners being held vicariously liable for the actions of a PT, PTA, or other healthcare professional.

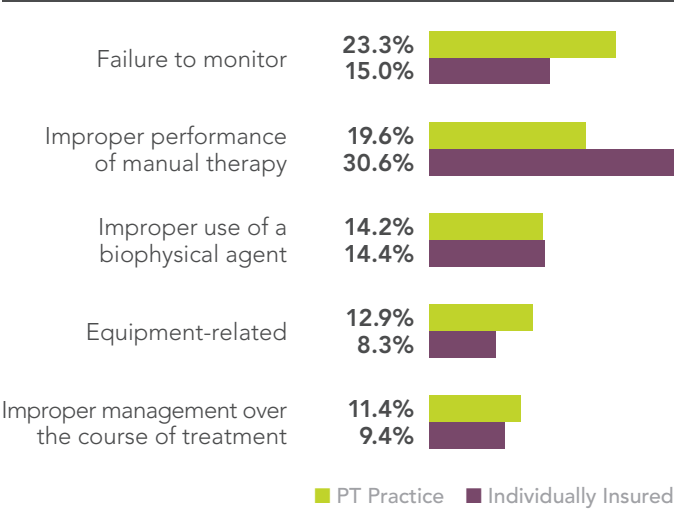
Equipment-related claims resulted in a 36.9 percent higher average severity for PT practices compared to individually insured PTs (\$187,020 for PT practices versus \$136,574 for individually insured PTs).

- This increased severity is consistent with the broader responsibilities assumed by PT practices for equipment selection, maintenance, inspection, and safety oversight.

Equipment-related claims resulted in a **36.9 percent higher average severity** for PT practices compared to individually insured PTs.

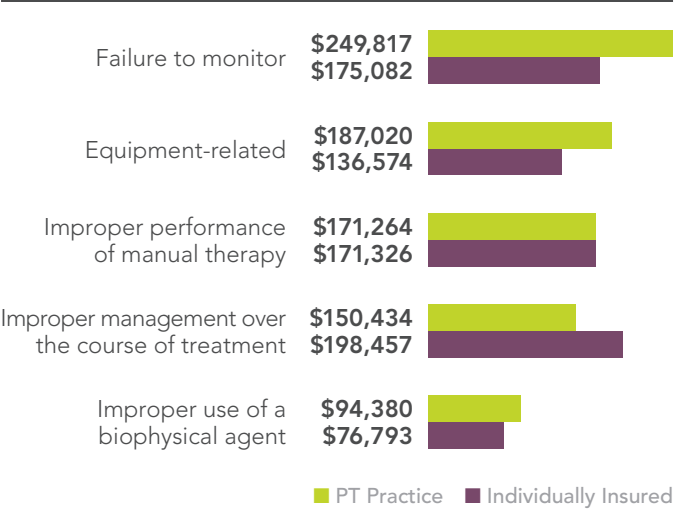
4 Distribution by Top Allegation Class and Insurance Type

Closed Claims with Paid Indemnity of ≥ \$10,000



5 Average Total Incurred by Allegation Class and Insurance Type

Closed Claims with Paid Indemnity of ≥ \$10,000



The example below illustrates PL exposures that a PT practice owner may experience:

A 79-year-old male patient was undergoing physical therapy following a hemiarthroplasty for repair of a comminuted proximal humerus fracture. The initial evaluation was performed by a PT employed by the PT practice, who subsequently delegated ongoing treatment to a newly hired PTA. Although the PTA had been licensed for several years, her prior clinical experience was limited to pediatric patients, with no documented evidence of targeted training or competency assessment for geriatric patients needing post-operative care. While the PTA was performing passive range-of-motion (ROM) to the affected upper extremity, a series of audible “pops” occurred, and the patient immediately reported sudden, severe pain. The supervising PT arranged for transport to the hospital where the patient was diagnosed with a mid-humeral fracture requiring multiple revision surgeries.

A lawsuit alleged that the manual therapy was performed too aggressively and that the PT practice owner failed to provide adequate supervision, delegation, and training of the PTA. Defense experts were critical of the level of supervision and the decision to delegate care of a medically complex, elderly patient to a PTA with limited experience in geriatric care. The case was settled with a total incurred exceeding \$600,000.

Part 2: Physical Therapist Assistant Professional Liability Exposures and Data Analysis

Part 2 compares the types of exposures that PTAs may encounter in comparison to PTs, regardless of whether they are insured through a PT practice or individually insured.

- While PTAs comprise a smaller portion of total claims (16.5 percent) compared to PTs (76.5 percent), claims asserted against them are 40.4 percent more costly on average (\$208,546 for PTAs versus \$148,507 for PTs), as indicated in **Figure 6**.
- The higher severity of PTA claims is often associated with issues related to improper delegation of tasks by PTs, inadequate supervision, and scope-of-practice concerns.
- While claims asserting failure to monitor are common across all physical therapy practitioners, PTAs have a higher percentage of these claims, and they are associated with a substantially higher severity. For PTAs, these claims are typically related to failure to monitor patients during treatment.
 - The distribution of PTA claims related to failure to monitor (31.7 percent) is almost double that of PT claims for the same allegation (16.3 percent), and the average total incurred is 47.4 percent more than the average total incurred for PTs (\$291,613 versus \$197,783) as reflected in **Figures 7** and **8**. The average total incurred for PTA claims related to failure to monitor is 79.8 percent higher than the average total incurred for all PL claims (\$291,613 versus \$162,174).

6 Distribution and Average Total Incurred by Practitioner Type

Closed Claims with Paid Indemnity of ≥ \$10,000

	Distribution	Average Total Incurred
PTA	16.5%	\$208,546
PT	76.5%	\$148,507

7 Top Allegation Classes Among PTAs as Compared to PTs

Closed Claims with Paid Indemnity of ≥ \$10,000

	PTA	PT
Failure to monitor	31.7%	16.3%
Improper use of a biophysical agent	15.9%	13.2%
Equipment-related	13.4%	11.6%
Improper performance of manual therapy	12.2%	27.9%
Improper performance using therapeutic exercise	9.8%	7.4%

*This figure represents the Top 5 PTA allegations sorted by distribution, with PT listed for comparison.



While **PTAs comprise a smaller portion of total claims** (16.5 percent) compared to PTs (76.5 percent), **claims asserted against them are 40.4 percent more costly on average (\$208,546 versus \$148,507).**

- The allegation of improper use of a biophysical agent has the second highest distribution of PTA claims. These claims most often involved the application of hot packs, electrical stimulation (E-stim), heating pads, or cryotherapy in a manner that was inappropriate or unsafe. In many of these claims, the patients had underlying conditions – such as diabetes, peripheral neuropathy, or scar tissue – that diminished their ability to perceive heat or pain.
- Improper performance of manual therapy represents 12.2 percent of all claims for PTAs, which is less than half of the total distribution of claims compared to PTs (27.9 percent). This is largely driven by dry needling claims – which is a procedure outside of the PTA scope of practice in most states. (Additional information on dry needling can be found in Part 3).

The **distribution of PTA claims** related to failure to monitor is **almost double that of PT claims** for the same allegation, and the **average total incurred is 47.4 percent more** than the average total incurred for PTs (\$291,613 versus \$197,783).

8 Average Total Incurred by Top Allegation Class Among PTAs as Compared to PTs

Closed Claims with Paid Indemnity of ≥ \$10,000

	PTA	PT
Failure to monitor	\$291,613	\$197,783
Improper performance using therapeutic exercise	\$258,722	\$143,012
Equipment-related	\$227,468	\$158,628
Improper performance of manual therapy	\$213,481	\$161,317
Improper use of a biophysical agent	\$79,720	\$85,429

*This figure represents the severity of the Top 5 PTA allegations by distribution, with PT listed for comparison.

Improper Use of a Biophysical Agent

Essential Risk Management Actions

☐

Select modality settings based on patient presentation, skin integrity, treatment goals, and tolerance.

☐

Continuously monitor patient feedback, skin condition, and signs of adverse reactions.

☐

Identify and document conditions/comorbidities that may increase the risk of thermal, electrical, or tissue injury.

☐

Educate patients regarding expected treatment sensations and instruct them to immediately report pain, burning or discomfort.

☐

Document assessment findings, modality settings, patient response, and post-treatment skin inspection.

The following scenario illustrates a PTA claim involving the improper use of a biophysical agent:

A 64-year-old male patient was undergoing physical therapy for reconditioning after a recent spinal fusion surgery. The patient was progressing well with manual therapy and therapeutic exercise. The treatment plan also included the application of heat and E-stim at the end of each session. The PT delegated this task to the PTA who had performed this procedure on many occasions. However, the PTA was not aware of the patient’s sensory deficit, and the PT did not communicate or document this finding. The PTA applied the E-stim electrodes and heating pad and checked the patient five minutes later. When the patient reported an inability to feel the heat, rather than consulting with the supervising PT, the PTA increased the heat setting. Following the treatment, the patient was diagnosed with a full-thickness burn requiring treatment at a wound care clinic. The patient filed a lawsuit alleging improper performance of the treatment. Based on the lack of communication during the delegation process and incomplete documentation regarding the patient’s clinical status, defense experts were unable to support the care provided, and the case was resolved for a total incurred amount exceeding \$125,000.

Part 3: Physical Therapist Professional Liability Exposures and Data Analysis

Part 3 includes PL claims that involve individually insured PTs or a PT providing services as an employee of an insured PT practice. This section does not include any exposures involving other healthcare personnel working with a PT, such as an occupational therapist, massage therapist, athletic trainer, PTA, PT student, or PT aide.

As depicted in **Figure 9**, most PT claims settled in the range of \$10,000 to \$99,999 (62.9 percent), which is consistent with the last two reports (73.4 percent and 65.7 percent for the 2016 and 2020 datasets respectively). However, the distribution of claims in that indemnity range continues to decline while the distribution of claims in more severe indemnity ranges has increased. For example, the distribution of claims that closed between \$250,000 and \$749,999 increased from 9.3 percent in the 2020 dataset to 13.7 percent in the 2026 dataset.

How Courts Define Malpractice

Four elements must exist for an incident to be considered malpractice:

1 Duty

A PT practitioner-patient relationship must exist.

2 Breach

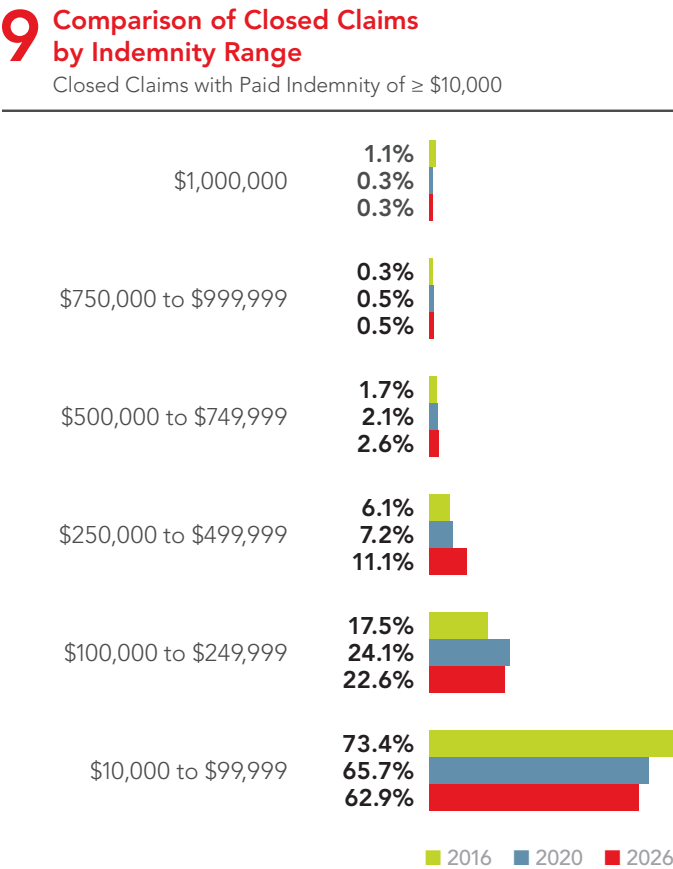
Standard of care was not met.

3 Causation

Injury was caused by the PT practitioner's error.

4 Harm

Injury resulted in damages.



The distribution of PT claims in the \$10,000 to \$99,999 indemnity range continues to decline, while **PT claims** closing in the **\$250,000 to \$749,999** range increased from **9.3 percent** to **13.7 percent**.

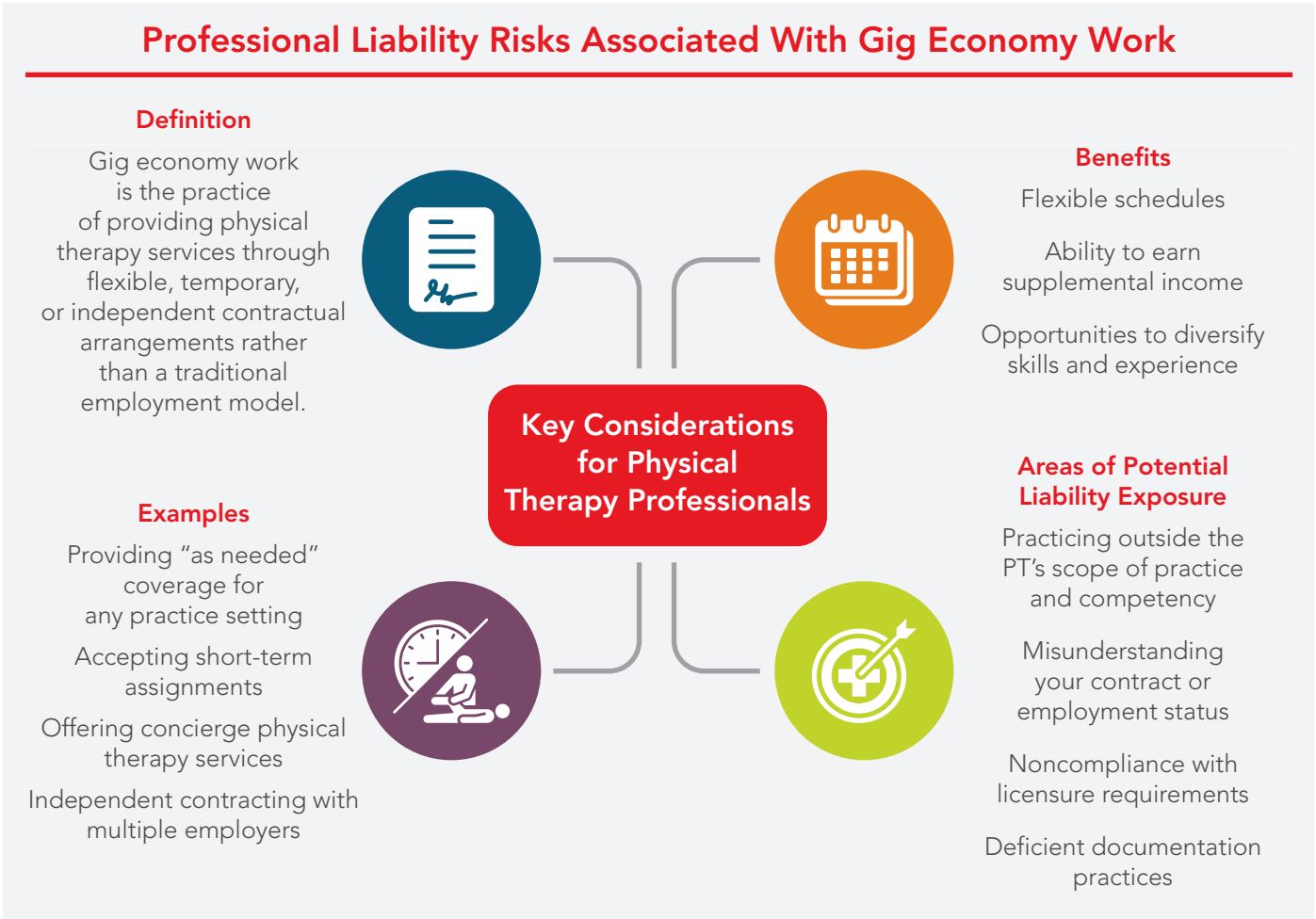
Analysis of Claim Outcomes by Location, Allegation, and Injury

This section summarizes the distribution of total claims and the average total incurred across various categories, including location, allegation, and injury.

Analysis by Location

Ninety percent of the claims involving PTs occurred in an outpatient physical therapy office/clinic. However, there were claims in the 2026 dataset in which the PT provided services in a non-traditional location, such as fitness centers, correctional facilities, or schools. In these claims, the PT was either employed by a practice that held a contractual agreement with the facility or was working independently to supplement full-time employment, also known as “gig economy work.”

According to the APTA, PTs are held to professional standards of care based on their licensure and training, regardless of setting. PTs engaging in “gig economy work” should be cognizant of the potential PL exposures related to scope of practice violations, role ambiguity, and the contractual risks associated with being an independent contractor (e.g. indemnification and hold harmless clauses).



Analysis by Allegation

Figures 10 and 11 provide summaries of the claim distribution and average total incurred amounts for the most frequent allegation classes.

- Equipment-related claims increased in both distribution within all PT claims and in average total incurred. In the 2020 dataset, equipment-related claim allegations comprised 4.0 percent of the distribution, which increased to 11.6 percent in the 2026 dataset (Figure 10), and had an average total incurred of \$119,228 in the 2020 dataset, which increased 33.0 percent to \$158,628 in the 2026 dataset (Figure 11).
- Improper performance of manual therapy represents the highest proportion of all PT claim allegations at 27.9 percent, according to Figure 10, with an increase in average total severity of 35.6 percent since the 2020 dataset (\$161,317 in the 2026 dataset versus \$118,957 in the 2020 dataset).

Key Recommendations to Reduce Equipment-Related Injuries

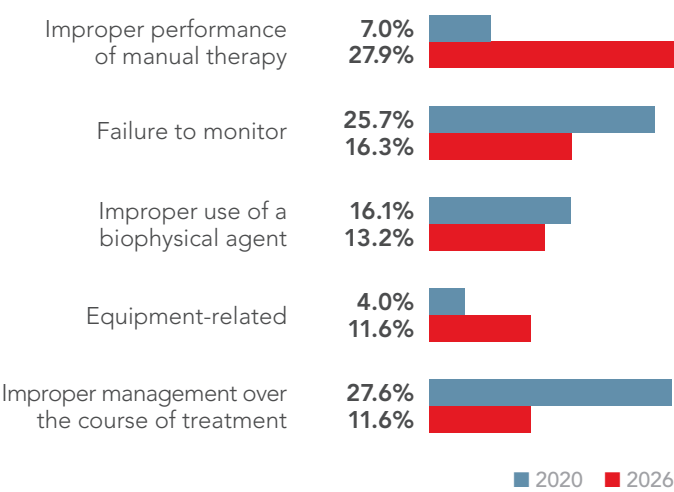
Strong policies and procedures are essential risk management tools for preventing injuries associated with equipment use. Documentation can also support continuity of patient care and compliance with safety protocols. Equipment-related documentation should include:

- ☐ Equipment used
- ☐ Purpose of the equipment
- ☐ Patient performance and response
- ☐ Safety considerations
- ☐ Staff training on equipment use
- ☐ Equipment defects or malfunctions



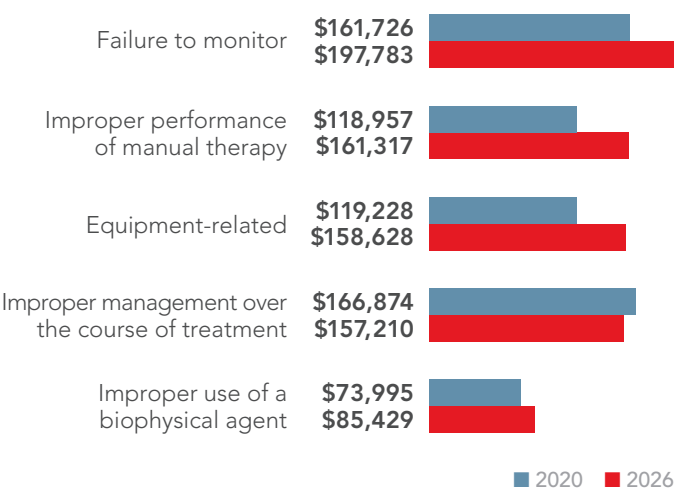
10 Distribution of Claims by Primary Allegation Class

Closed Claims with Paid Indemnity of ≥ \$10,000



11 Average Total Incurred by Primary Allegation Class

Closed Claims with Paid Indemnity of ≥ \$10,000



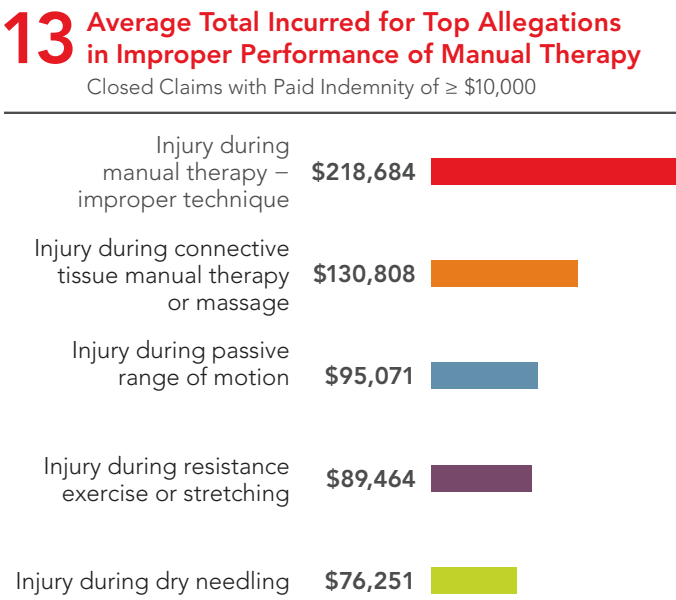
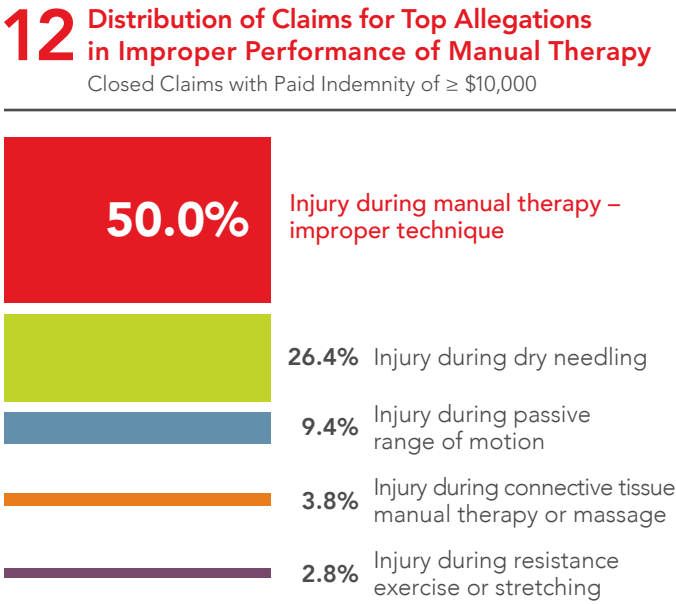
Improper performance of manual therapy is the most common PT claim allegation with an increase in average total incurred of 35.6 percent since 2020 (\$161,317 in 2026 versus \$118,957 in 2020), with dry needling accounting for 26.4 percent of these claims.



Drilling down further into the most frequent allegation class, improper performance of manual therapy, **Figures 12 and 13** provide the most common allegations within this allegation class.

- The allegation of injury during manual therapy – improper technique comprises half of all claims within the improper performance of manual therapy allegation class, and has an average total incurred of \$218,684 (**Figure 13**). Claims within this category often involve allegations that the manual therapy was overly aggressive and involved high velocity maneuvers or that the technique was contraindicated given the patient’s underlying physical condition (e.g. age, body mass, osteoporosis or recent surgery).
- Injuries during dry needling, an emerging physical therapy treatment, account for 26.4 percent of all claim allegations associated with improper performance of manual therapy, as evidenced in **Figure 12**. As dry needling becomes more widely used, these findings indicate that improper technique and inadequate controls may be contributing to an increasing proportion of related claims.

The allegation of **injury during manual therapy – improper technique** comprises **half of all claims** within the improper performance of manual therapy allegation class, and has an **average total incurred of \$218,684**.



The following scenario illustrates a claim involving improper technique during manual therapy:

A 40-year-old female patient presented to physical therapy for treatment of chronic neck pain. After assessing the cervical spine, the insured PT determined that there were no contraindications and proceeded with a high velocity cervical mobilization maneuver. The patient immediately reported pain, numbness in the arm and leg, dizziness, and visual disturbances. She was transported by emergency medical services to the hospital, where she was diagnosed with a vertebral artery dissection and embolic stroke. Treatment was conservative, and the patient was discharged home in stable condition. However, she asserted that she suffered permanent balance impairment.

The patient testified that the PT rapidly and forcefully twisted her neck, and that she heard an audible crack. The maneuver was described as an aggressive “manipulation” rather than a manual physical therapy technique, and the degree of force applied became a disputed issue. Although defense experts in neurosurgery opined that such injuries could occur spontaneously, the fact that the onset of symptoms occurred immediately after the treatment undermined this defense. Documentation was incomplete for this visit and lacked details about the PT’s assessment and treatment. Based on the temporal relationship between manual therapy and the injury, as well as the documentation gaps, the defense team concluded that this case had a high potential for an unfavorable jury verdict. The case was settled for a total incurred of over \$1,000,000.

Dry Needling

There are ongoing regulatory updates to include dry needling as part of the PT scope of practice, with significant state-to-state variability regarding authorization, educational requirements, and competency standards. The APTA recognizes dry needling as a growing treatment modality trend and supports its inclusion in PT practice when accompanied by appropriate educational qualifications. The Federation of State Boards of Physical Therapy (FSBPT) updated its dry needling competency framework in a 2024 report, reaffirming dry needling as an intervention within the physical therapy scope of practice and outlining recommended competency and training requirements.

It is critical for PTs performing dry needling to possess the knowledge and skills to not only perform the intervention safely, but also to promptly recognize and respond to potential complications. Chest pain and/or tightness, shortness of breath, and cough during or after thoracic/periscapular dry needling are key indicators of a potential pneumothorax. A pneumothorax may be the result of improper needle placement or depth of insertion.

Key Risk Recommendations Associated With Dry Needling

Patient Selection & Assessment	Informed Consent	Injury Prevention & Response
Determine if the patient is an appropriate candidate. • Perform physical assessments specifically for dry needling. • Assess the patient’s symptoms and, if necessary, report them to the patient’s practitioner. • Document steps taken to resolve symptoms in the health-care information record. 	Conduct informed consent, with discussions documented, prior to treatment. At a minimum, informed consent discussions should include: • Known risks and benefits of the treatment, alternative treatment options, and the likely consequences of declining treatment. • Disclosure of clinically indicated touching and/or potential discomfort during treatment. • Provision of patient education materials and corresponding documentation.	Know and follow injury prevention techniques and emergency response and adverse event protocols. • Refer patients experiencing complications to the emergency department, when indicated (e.g., perforation of hollow organs, heavy bleeding, broken needles). • Follow adverse event protocols. • Notify appropriate practitioner of patient complications and actions taken.

A notable finding in the dry needling claims was the delay or failure to identify pneumothorax, as illustrated in the following claim scenario:

A 45-year-old male patient was receiving dry needling treatments for cervical and thoracic pain. During the procedure, the PT inserted filiform needles, of the appropriate gauge and length for the patient’s body mass index and soft-tissue depth, into the periscapular and thoracic regions. While the treatment was underway, the patient reported a sudden sensation of tightness beneath the rib cage. The procedure was immediately discontinued, and the patient was permitted to drive home.

Shortly after the patient arrived home, he contacted the PT to report that he was having chest pain. The therapist, believing that the symptoms were musculoskeletal in nature, advised the patient to apply heat. Later that evening, the patient developed shortness of breath and presented to the hospital where he was diagnosed with a pneumothorax. Treatment was managed conservatively, and he was discharged home in stable condition. The failure to recognize the complication and provide an appropriate referral was determined to be a departure from the standard of care. The claim was settled for a total incurred that exceeded \$60,000.

Analysis by Injury

Physical therapy PL claims arise from a wide range of patient injuries. **Figures 14 and 15** illustrate the distribution and average total incurred for the most frequently reported injury types, while **Figure 16** provides a focused analysis of fracture claims, which represent the most common injury category in the 2026 dataset.

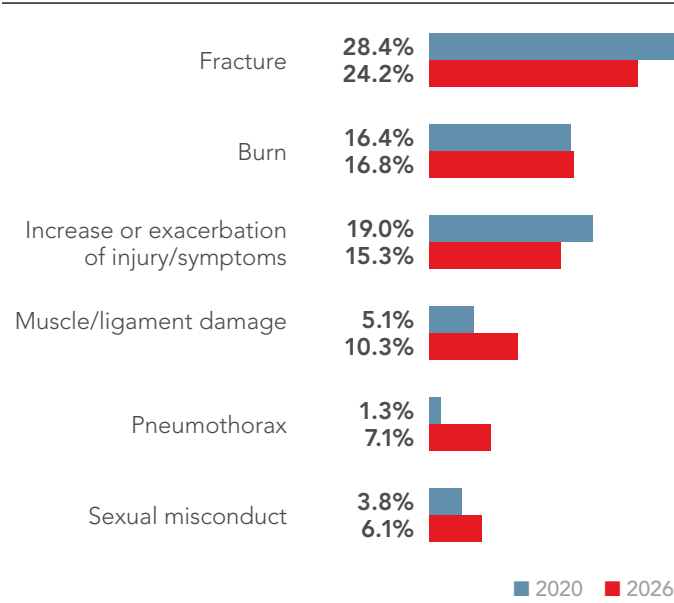
- Fractures represent the most frequent injury type associated with PT claims, accounting for 24.2 percent of all PT claim injuries, as highlighted in **Figure 14**. These claims closed with an average total incurred of \$179,484 (**Figure 15**), which is 20.9 percent higher than the average total incurred for all PT-related claims (\$148,507).
- Burns are the second most common type of injury in the 2026 dataset.
- While sexual misconduct claims represent only 6.1 percent of closed PT claims, they pose a significant reputational risk exposure.

Fractures represent the most frequent injury type associated with PT claims, accounting for **24.2 percent** of all PT claim injuries, and with an average total incurred of \$179,484.



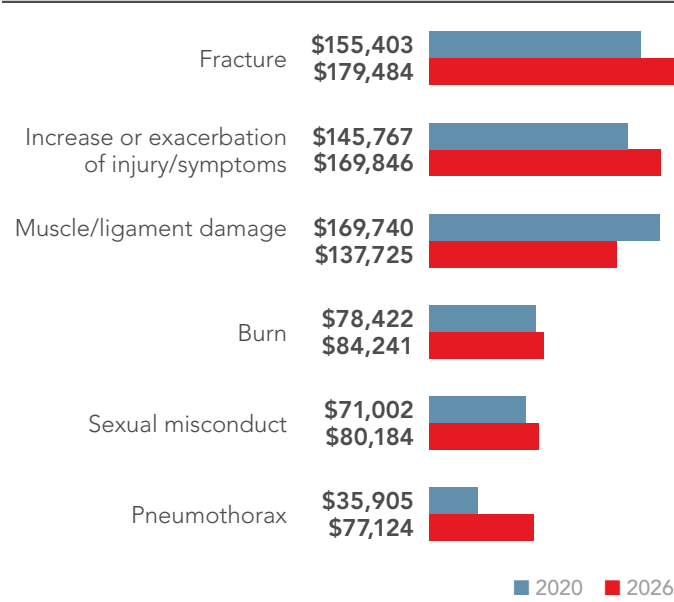
14 Distribution of Claims by Top Injury

Closed Claims with Paid Indemnity of ≥ \$10,000



15 Average Total Incurred of Claims by Top Injury

Closed Claims with Paid Indemnity of ≥ \$10,000



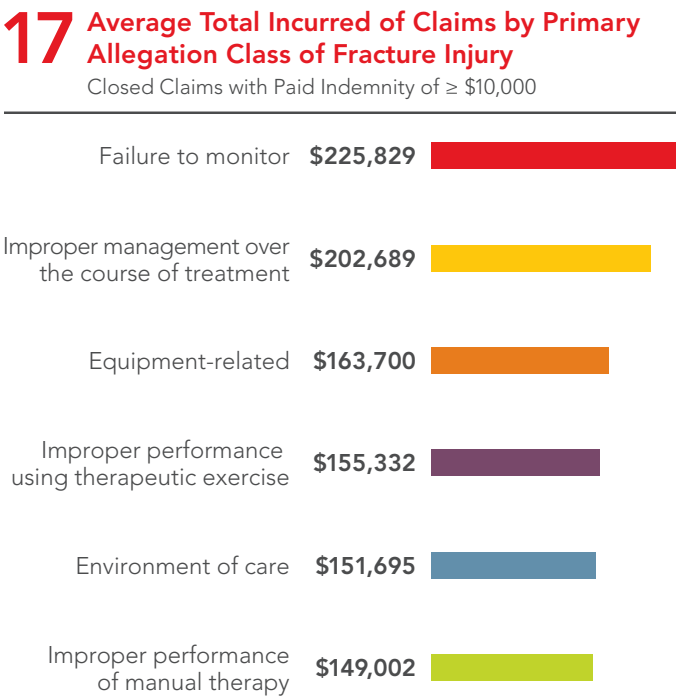
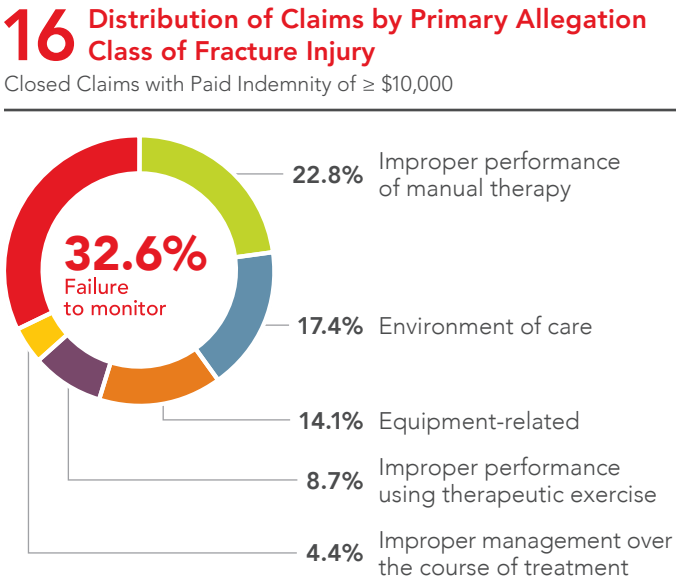
The following case highlights a scenario involving allegations of sexual misconduct:

A 21-year-old female patient presented with a whiplash-associated disorder. The PT treatment plan consisted of manual therapy and therapeutic exercise, including fascial release techniques to the upper trapezius and pectoral muscles. In a subsequent visit, the patient complained of shoulder pain with overhead lifting. To treat this new complaint, the PT expanded the manual therapy to include fascial release of the hips and chest. The patient did not return for further treatment following this session and subsequently filed a lawsuit alleging sexual misconduct. She testified that the PT inappropriately touched her breasts, inner thigh, and genital area. The PT testified that disrobing was required for him to treat the patient’s hips and chest and that any contact with sensitive areas was inadvertent and unintentional. The defense challenges in this case included the absence of a chaperone, lack of informed consent, inadequate draping, and improper technique. The defense expert opined that the PT failed to meet the applicable standard of care with respect to precautions to avoid or minimize direct contact with sensitive body areas. Ultimately, the defense characterized the matter as a “word-versus-word” case, with the outcome dependent on the jury’s assessment of the credibility of the parties. Based on these defense challenges, the case was resolved with a total incurred exceeding \$350,000.

Figures 16 and 17 demonstrate that claims involving fracture injuries with failure to monitor allegations account for 32.6 percent of all fracture claims and have an average total incurred of \$225,829. A common allegation in fracture claims is that the PT failed to appropriately monitor the patient, which resulted in a fracture due to a fall.

Fractures also occurred due to the improper performance of manual therapy, including high-velocity techniques, which account for 22.8 percent of all fracture claims. This highlights the importance of technique selection and modification based on patient risk factors.

A common allegation in fracture claims is that the **PT failed to appropriately monitor the patient,** which resulted in a fracture due to a fall.



Fracture injuries also involved allegations of improper performance of manual therapy, as illustrated in the following scenario:

A 75-year-old male patient with a history of degenerative spine disease and osteoporosis, as documented in the physical therapy referral, sustained a T3-T4 spinal fracture during a manual pectoralis stretching maneuver. A lawsuit was filed asserting that the PT failed to consider the patient’s underlying conditions, used excessive force, and failed to appropriately modify the intervention to align with the patient’s underlying condition. The PT did not document the patient’s medical history, nor were details regarding the manual therapy technique noted. Defense experts opined that the patient’s history of osteoporosis and degenerative disc disease are well-established risk factors for vertebral fracture and should have triggered heightened caution during manual therapy. Clear documentation explaining the clinical rationale for the selected technique, how it was modified for osteoporosis, and what precautions were taken would have strengthened the defense. This claim was settled for over \$125,000.

Re-injury Claims Analysis

The 2026 claim dataset was analyzed to determine the prevalence of re-injury claims during treatment by a PT. For the purposes of this analysis, a claim was classified as a “re-injury” if the condition or body part for which the patient was seeking physical therapy was allegedly harmed again during the session.

- The average total incurred for re-injuries is \$192,490, which is 29.6 percent higher than the average total incurred for PT closed claims (\$148,507), as seen in **Figure 18**.
- Injury during manual therapy – improper technique is the top allegation associated with re-injuries with an average incurred of \$217,050 (**Figures 19 and 20**), which is 46.2 percent higher than the average total incurred for all PT closed claims (\$148,507).
- As demonstrated in **Figure 19**, claims caused by a failure to follow referral orders are the second most frequent cause of re-injury, making up 11.8 percent of all re-injury claims.

Re-injury claims are often related to improper technique (including excessive force, high velocity maneuvers, or use of excessive weights), falls, continuation of therapy despite reported pain, and failure to report patient nonadherence.

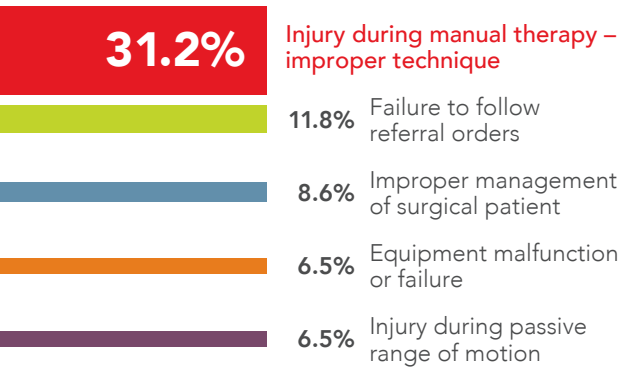
18 Distribution and Average Total Incurred of Claims by Re-injury

Closed Claims with Paid Indemnity of ≥ \$10,000

Patient Re-injured		Distribution	Average Total Incurred
Yes		24.5%	\$192,490
No		75.5%	\$134,254

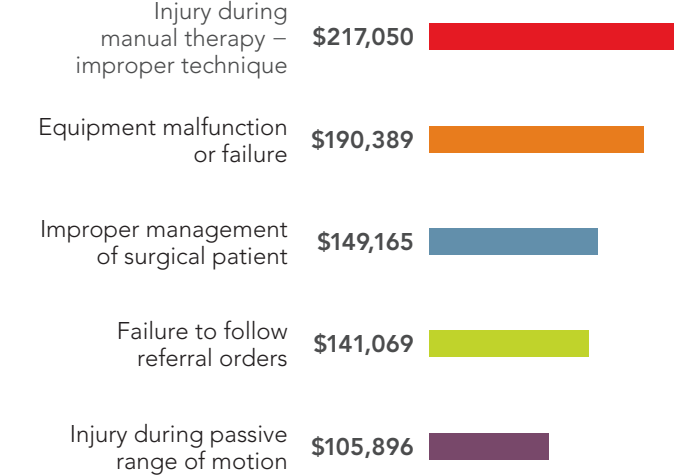
19 Distribution of Claims by Re-injury Allegations

Closed Claims with Paid Indemnity of ≥ \$10,000



20 Average Total Incurred of Claims by Re-injury Allegations

Closed Claims with Paid Indemnity of ≥ \$10,000



The following re-injury claim illustrates how adherence to referral orders, conservative progression and complete documentation can help to mitigate the risk of re-injury exposures:

A 79-year-old male patient underwent surgical repair of a widely displaced knee fracture. Postoperative instructions included continuous use of a knee immobilizer and participation in physical therapy with passive ROM restricted to 30 degrees. The patient admitted to actively bending his knee and not using the immobilizer at home despite restrictions. He was reminded by the PT to avoid knee flexion and to wear the knee immobilizer as prescribed. However, this education was not documented in the PT record. The documentation also lacked detail regarding the degree of knee flexion or extension achieved. During a physical therapy session, the patient reported severe knee pain during passive ROM exercises. He was diagnosed with a re-injury to the operative knee and underwent revision surgery.

A lawsuit was filed asserting that the PT used an improper technique that resulted in damage to the orthopedic hardware. Defense experts were unable to support the PT’s care, concluding that improper technique could not be ruled out due to the temporal relationship between the treatment and the injury, as well as lack of documentation regarding treatment details. While the patient’s nonadherence was likely a contributing factor, the absence of detailed treatment records obscured causation and significantly complicated the defense of this claim. This case settled for a total incurred of more than \$700,000.

Part 4: Analysis of Licensure Defense Expenses

Introduction

Licensure defense expenses involve the defense of the insured PT, PTA, or PT practice before a State Board of Physical Therapy (SBPT) or comparable state regulatory agency. Licensure defense expenses include only the cost of providing legal representation to defend the PT, PTA, or PT practice during the investigation. These matters are different from professional liability claims, which may include an indemnity and/or settlement payment to an injured patient or family member. Therefore, the average defense expense noted within this section is not necessarily indicative of the severity of the matter before the SBPT. In addition, a regulatory or licensing board action against a PT’s or PTA’s license to practice differs from a professional liability claim in that it may or may not involve allegations related to patient treatment and care. For example, licensure defense expenses may include instances such as alleged unprofessional conduct or failure to disclose required information during the license renewal process.

Database and Methodology

The 2026 dataset consists of licensure defense expenses that closed between January 1, 2020, and December 31, 2025, and resulted in a defense expense/payment of at least one dollar. When applied to the total number of reported licensure defense expenses, these criteria produced a 2026 dataset comprising 229 matters. The same criteria yielded a 2020 dataset of 170 matters.

Licensure defense expenses involve the **defense of the insured PT, PTA, or PT practice before a State Board of Physical Therapy (SBPT)** or comparable state regulatory agency. Licensure defense expenses include **only the cost of providing legal representation** to defend the PT, PTA, or PT practice during the investigation.

Licensure Defense Expenses vs. Professional Liability.	
What is the difference?	
Licensure Defense Expenses	Professional Liability
Inquiry by the State Board, arising from a complaint. Allegations can be directly related to a physical therapist’s clinical practice and professional responsibilities, and they can be of a nonclinical nature, such as physical abuse, unprofessional behavior, or fraud. The State Board of Physical Therapy can suspend or revoke a license. Its primary mission is to protect the public from unsafe practice.	Civil lawsuit arising from a patient’s malpractice claim. Allegations are related to clinical practice and professional responsibilities. The civil justice system cannot suspend or revoke your license to practice. Professional liability lawsuits serve to fairly compensate patients who have suffered injury or damage as the result of professional negligence.

Data Analysis

As reflected in **Figure 21**, the average payment for licensure defense expenses in the 2026 dataset increased 14.8 percent compared to the 2020 dataset (\$7,369 in the 2026 dataset versus \$6,420 in the 2020 dataset). Expense payments for licensure defense expenses include legal expenses, associated travel, meals, lodging, and wage loss costs reimbursable under the policy. The reasons for the rising average payment associated with licensure defense expenses include the escalating costs of defense counsel, inflation and the individual nature of each SBPT disciplinary investigation, which may take years to resolve.

Figure 22 displays licensure defense expenses by insured type. **Figure 22** is intended to illustrate how the average payment per licensure defense expenses has increased over the last two datasets, regardless of licensure type. In addition, any differences in the average total incurred between individually insured PTs and PTAs versus insured through a PT practice, are not reflective of the severity of the licensure defense expenses.

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Licensure Defense Expenses –
Comparison of 2020 and 2026 Datasets

Closed Claims with Paid Indemnity of ≥ \$1

	2020	2026
Number of years included in dataset	5	6
Licensure defense expenses paid matters	170	229
Total paid	\$1,091,462	\$1,687,581
Average payment	\$6,420	\$7,369

22

Distribution and Average Total Expense by Insurance Type –
Comparison of 2020 and 2026 Datasets

Closed Claims with Paid Indemnity of ≥ \$1

	2020		2026	
	Distribution	Average Total Expense	Distribution	Average Total Expense
PT practice	38.2%	\$7,580	44.5%	\$7,812
Individually insured	61.8%	\$5,702	55.5%	\$7,014
PTs	55.3%	\$5,882	47.2%	\$6,507
PTAs	6.5%	\$4,166	8.3%	\$9,896



The average payment for **licensure defense expenses** in the 2026 dataset **increased 14.8 percent** compared to the 2020 dataset (\$7,369 in 2026 versus \$6,420 in 2020).

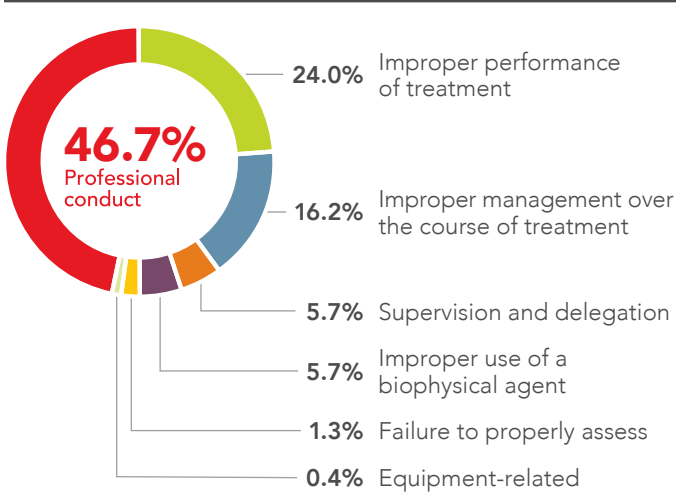
Analysis of Licensure Defense Expenses by Allegation Class

Figure 23 displays the distribution of the primary allegation classes. Complaints related to professional conduct had the highest distribution of the licensure defense expenses in the 2026 dataset, at 46.7 percent. Collectively, professional conduct, improper performance of treatment, and improper management over the course of treatment accounted for 86.9 percent of all licensure defense expenses. An example of a professional conduct matter is provided below.

Improper performance of treatment allegations comprised 24.0 percent of all licensure defense expenses. This class includes allegations of improper technique or negligent performance of treatment resulting in injury, failure to meet the standard of care, and improper management of a surgical patient.

Allegations related to improper management over the course of treatment, which comprised 16.2 percent of all licensure defense expenses in the 2026 dataset, is a broad category that includes allegations that a PT or PTA failed to meet the minimum acceptable standards of physical therapy practice. These allegations included matters involving inadequate record keeping or documentation, failure to monitor a patient, and premature discharge or abandonment.

23 Distribution of Licensure Defense Expenses by Primary Allegation Class
Closed Claims with Paid Indemnity of ≥ \$1



Complaints related to **professional conduct** had the **highest distribution of licensure defense expenses** in the 2026 dataset, at 46.7 percent.

Failure to recognize and address sexual abuse or harassment can enable inappropriate behavior to continue potentially resulting in harm to patients or colleagues for extended periods of time, as in the following example:

A female patient presented to a physical therapy clinic for treatment of hip pain. She was typically treated by a PTA but was treated by a PT when required by the standard of care. After a session with the PT, the patient failed to pay her bill, after which the PT terminated her treatment. After this, the patient filed a SBPT complaint against the PT and the clinic, alleging that the PT had inappropriately touched her inner thigh while treating her hip. A board investigation revealed two prior sexual misconduct complaints involving inappropriate advances toward a patient. The SBPT placed the PT on five years of probation, during which treatment of female patients required a SBPT approved chaperone and completion of continuing education on professional boundaries. The expenses associated with defending the PT in this case exceeded \$25,000.

Analysis of Licensure Defense Expenses

Allegation Class Sub-Categories

Allegations Related to Professional Conduct

Allegations related to the professional conduct of PTs and PTAs comprised 46.7 percent of all licensure defense expenses in the 2026 claim dataset. This category includes matters where the PT or PTA failed to exercise sound professional judgment. As a licensed or certified professional, PTs and PTAs are expected to adhere to established ethical standards, including the APTA Code of Ethics for the Physical Therapy Profession. Failure to act ethically and respect the rights and dignity of all patients, colleagues, and the public can result in action by the SBPT.

Figure 24 shows that allegations of physical, sexual, or emotional abuse and/or misconduct were the most frequent allegation within the professional conduct category in the 2026 dataset (16.2 percent) and have remained prevalent since 2016, highlighting an ongoing concern for the profession. These licensure defense expenses involved allegations against PTs and PTAs of harassment or assault of a patient or a coworker or, in a few cases, breaching professional boundaries by initiating an inappropriate relationship with a patient. Sexual harassment and abuse prevention should be a priority of PT practice owners, PTs, and PTAs. PTs and PTAs should receive education on professional boundary issues and refrain from any conduct that falls outside of the accepted PT/PTA – patient professional relationship. Physical therapy practice owners should establish and implement policies addressing harassment and abuse, clearly outlining reporting steps for patients and staff. Patients expect that their PT or PTA is a professional and will be held accountable if harassment occurs.

Allegations of practicing without a license comprised 3.1 percent of all licensure defense expenses in the 2026 claim dataset. The majority of these allegations involved PTs practicing after failing to renew their expired licenses. The remainder of the allegations involved a PT or PT practice owner who was aware of supervisees or employees providing services without an active license. These matters underscore that SBPTs view compliance with licensure requirements as both an ethical and professional obligation, including a duty to report illegal or unethical practices to the appropriate authorities.

Allegations of inappropriate behavior by a clinician, including misconduct, represented 5.7 percent of all licensure defense expenses in the 2026 claim dataset. This is a broad allegation category that includes failing to act with integrity and honesty, as well as engaging in unprofessional conduct toward coworkers and/or patients.



State Board of Physical Therapy Outcomes

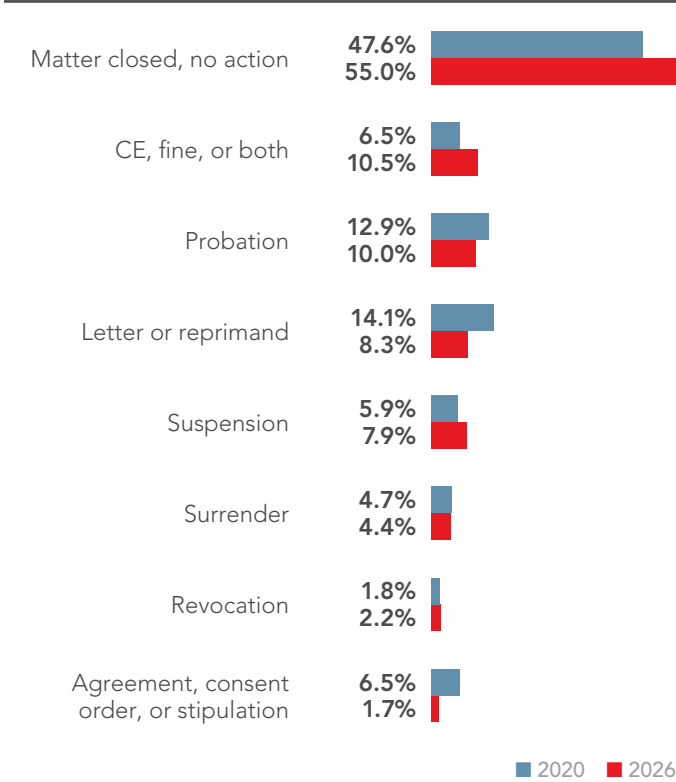
While the terminology used to describe the types of disciplinary actions SBPTs impose may differ between states and jurisdictions, disciplinary action taken by all SBPTs can affect a PT's or PTA's ability to practice. Any complaint filed against and potentially implicating the license or certification of a PT or PTA can have career-altering consequences, ranging from reprimands or fines to surrender or revocation of license, resulting in career termination.

Figure 25 compares the distribution of SBPT licensing actions between the 2020 and 2026 datasets. In the 2026 dataset, 55.0 percent of licensure defense expenses were closed with no action taken by the SBPT. A SBPT's decision not to impose disciplinary action represents a positive outcome for the licensee.

Even complaints resulting in less severe decisions by the SBPT, such as probation; agreement, consent order, or stipulation; CE; fine; or a combination thereof, may have a significant emotional and professional impact on the PT or PTA. SBPT investigations are serious matters, requiring legal assistance as well as significant investment of time and effort by the PT or PTA until they are resolved. Although not all complaints can be avoided, consistent compliance with practice acts, policies, training requirements, and documentation standards improves the likelihood of a no action determination by the SBPT.

25 Distribution of Outcomes for Licensure Defense Expenses

Closed Claims with Paid Indemnity of ≥ \$1



In the 2026 dataset, **55.0 percent of licensure defense** expenses were **closed with no action taken** by the State Board of Physical Therapy (SBPT).



151 North Franklin Street
Chicago, IL 60606
1.866.262.0540
www.cna.com



1100 Virginia Drive, Suite 250
Fort Washington, PA 19034
1.800.982.9491
www.hpsocom

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